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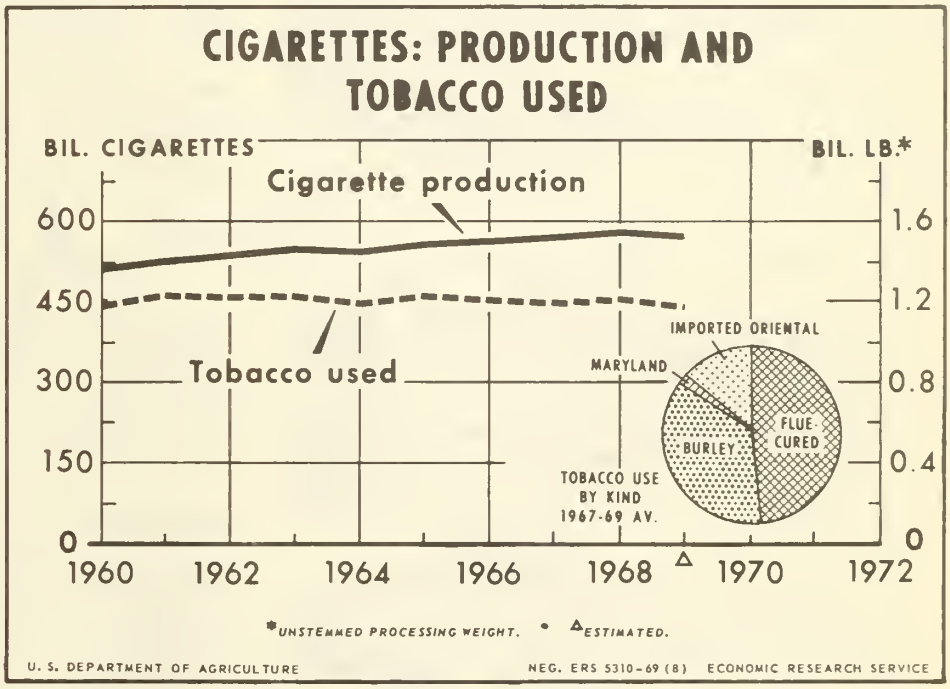
TOBACCO SITUATION

TS-129 SEPTEMBER 1969

Cigarettes take about four-fifths of the tobacco used in the United States. Output of 579 billion cigarettes in calendar year 1968 was a record. Even though the amount of tobacco used for cigarettes also increased slightly last year, it was 2 percent below the 1963 high. Since the mid-1950's the average quantity of tobacco used to make a cigarette has declined 2 percent a year.

This year both cigarette output and the amount of tobacco used for cigarettes may be below last year.



IN THIS ISSUE

1969/70 OUTLOOK

Tobacco Products--Per Capita
Foreign Trade
Leaf Situation and Outlook
Tobacco Used for Cigarettes

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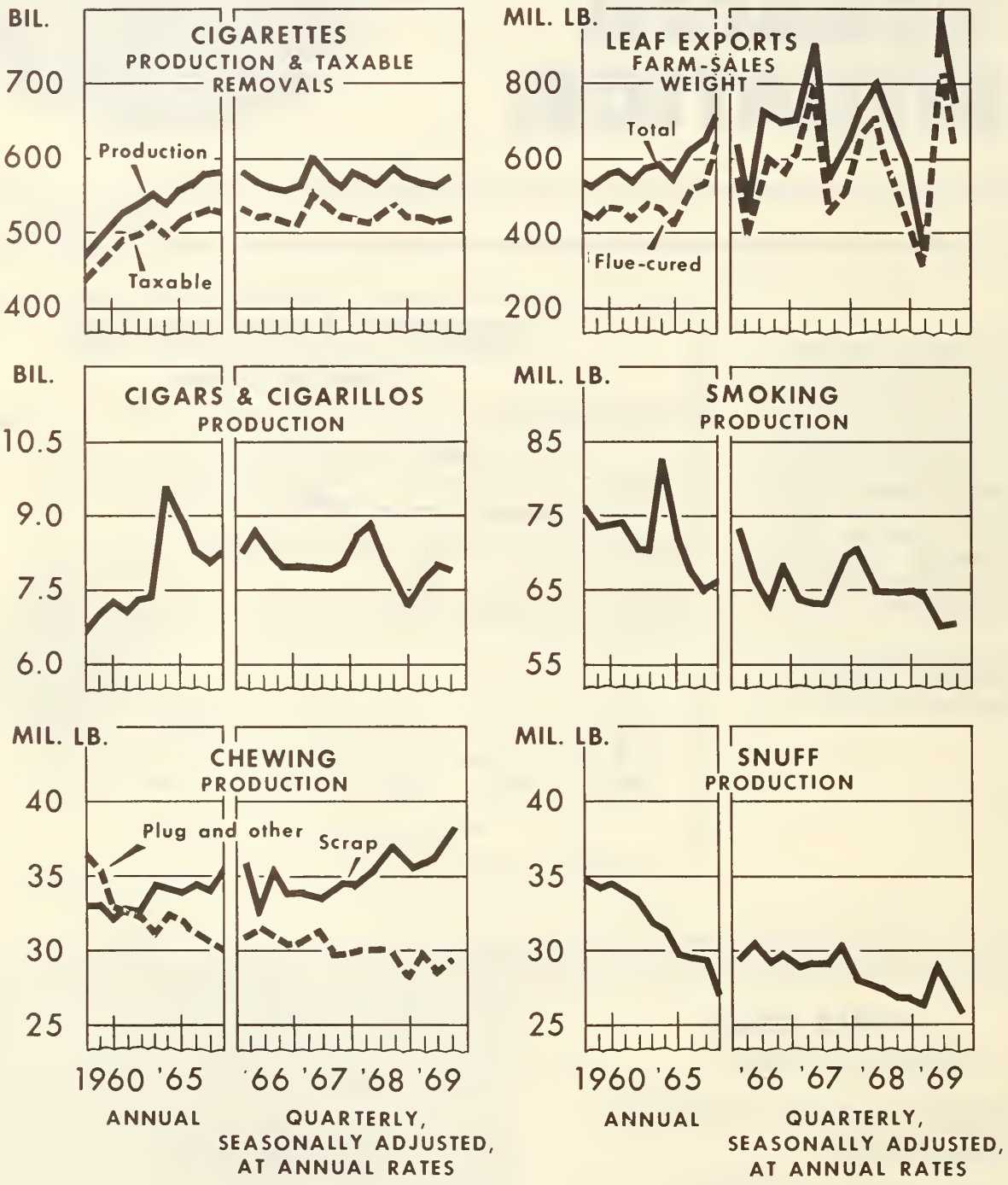
TOBACCO OUTLETS

Recent Trends In Manufactured Products and Exports



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U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 229- 69 (9) ECONOMIC RESEARCH SERVICE

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, September 24, 1969

CONTENTS

	Page
Summary	3
Tobacco Products	4
Cigarettes	4
Cigars	7
Smoking tobacco	7
Chewing tobacco and snuff	11
Foreign Trade	11
U.S. exports and imports	11
Foreign production and sales	19
Tobacco Leaf Situation and Outlook	19
Quotas, allotments and price support	20
Flue-cured	20
Burley	24
Maryland	26
Fire-cured	28
Dark air-cured	30
Cigar tobacco	32
Tobacco Used for Cigarettes	36
Statistical Summary	43
List of Tables	45

SUMMARY*

Despite a larger tobacco crop this year, a smaller carryover is reducing the prospective 1969/70 supply by around 3 percent from last season. The supply, an estimated 5.67 billion pounds, is down for the fifth straight year, but still ample.

This year's tobacco crop, estimated at 1.84 billion pounds, is up 7 percent from 1968, mainly because of a 5 percent increase in acreage. The acreage increase reflects upward adjustments for flue-cured tobacco farms that marketed less than their marketing quotas last year. Beginning carryover for this season (July 1 for flue-cured and cigar wrapper types; October 1 for others) is about 7 percent below a year earlier.

Disappearance in the 1969/70 marketing year may total near the approximately 2.0 billion pounds of last year. Domestic use of U.S. tobacco may be about the same or slightly lower than in 1968/69. Little change is expected in cigarette output, and the downtrend in tobacco use per cigarette is likely to continue.

U.S. cigarette output this fiscal year may nearly equal the 573 billion cigarettes produced in 1968/69. The smoking-age population is increasing, and consumer incomes are at record levels.

But increasing cigarette prices and the smoking-health publicity are reducing cigarette use per person, and possibly limiting the number of smokers. Based on taxable withdrawals and shipments to overseas forces, consumption per person 18 and older in calendar year 1969 is averaging 2-3 percent below the 4,186 cigarettes of last year.

Total consumption of cigars and smoking tobacco in 1969/70 probably will do well to hold the previous year's level. Use of chewing tobacco may be steady and snuff will likely decline further.

Leaf exports this fiscal year may be near last season's 571 million pounds (635 million, farm-sales weight). However, many non-traditional foreign suppliers have been increasing production; and this together with higher prices of U.S. tobacco is likely to preclude any significant gain in U.S. exports.

Among major flue-cured exporters, Canada reports its 1969 crop about the same as last year while India's is larger. Although some 200-300 million pounds of old-crop stocks have

* The summary of this report along with a table on supply and disappearance was released on September 24, 1969.

accumulated in Rhodesia, the U.N. sanctions still keep most of these stocks out of world trade.

The United Kingdom, the major U.S. export destination, decreased its takings in 1968/69. But it is still too early to tell if the U.K. will rebuild its lowered stocks from U.S. supplies this season. U.S. shipments to European Common Market countres rebounded in the past 12 months, but other countries are actively competing for this market.

World tobacco exports (excluding Sino-Soviet countries) steadied in calendar year 1968 at 1.8 billion pounds. Trade in 1969 likely will not be much different. Manufacturers are using more local production and further economizing on leaf use as world cigarette output gains.

The trend toward increased imports of cigarette tobacco into the United States could continue in 1969/70. The trend was interrupted in 1968/69 as imports for consumption totaled 161 million pounds (leaf and scrap), 11 million below the previous year. U.S. manufacturers' stocks of imported cigarette types of tobacco last July 1 reached a new record for that date, about 2 percent above a year earlier. Last year, U.S. manufacturers used about 45 percent foreign-grown cigar filler and scrap in cigars. They may use more imports in 1969/70 because of smaller domestic supplies and higher prices.

Based on the increase in the parity index under the formula required by law, 1970 price support levels for eligible tobaccos will increase about 3-1/2 percent over 1969.

U.S. flue-cured and burley tobacco supplies for 1969/70 are down from a year earlier. The supply of flue-cured tobacco--the leading kind for cigarettes and exports--is estimated at 3,198 million pounds, down 3 percent. The 1969 flue-cured crop is currently indicated at 1,098 million pounds, up 11 percent. But the carryover into the current season was down 9 percent. Even if exports can steady, total disappearance could drop a little in line with the domestic downtrend. But it still will exceed production so the carryover of flue-cured tobacco next July 1 will likely be reduced further.

During the 1968/69 marketing year, exports of flue-cured (over four-fifths of total U.S. tobacco exports) fell 2 percent below 1967/68; domestic use also declined slightly.

About 65 percent of the 1969 flue-cured tobacco crop had been marketed by September 19 and gross sales were 2 percent above the comparable period of 1968. Through that date, prices were at record levels, averaging 8 percent above a year earlier. Farmers placed 42 million pounds of the 1969 crop under Government loan. This was 6 percent of marketings, a smaller proportion than in the similar period of 1968. For last season as a whole, 13 percent of marketings went under loan.

The 1969/70 indicated supply of U.S. burley tobacco--the second leading cigarette tobacco--is 1 percent below a year earlier and 8 percent below the 1964/65 record. The crop is about the same size as last year. Carryover from 1968/69 is estimated down 1-1/2 percent. During 1968/69 (October-September) estimated disappearance exceeded production. Domestic use probably fell 3 percent below the 546 million pounds of a year earlier. Exports probably held near the high level of recent years.

Combinations of reduced carryover and generally steady 1969 production will result in smaller 1969/70 supplies of fire-cured, Maryland, cigar filler, cigar binder, and cigar wrapper. Dark air-cured supplies are about the same as for the year just ended.

TOBACCO PRODUCTS

CIGARETTES

Cigarette Production and Use a Little Lower

Output and consumption of cigarettes in calendar year 1969 likely will be a little below 1968. There are more people of smoking age, and consumer incomes are at record levels. But retail prices are higher, and smoking-health publicity is continuing at a high level. Also, overseas shipments are a little lower. Apparently the number of U.S. smokers (or cigarette use per smoker) is declining again this year. As a result, total consumption by U.S. smokers is likely to be down some 1 percent this year. Per capita use is declining some 2-3 percent. With prospects for these factors to continue in 1970, cigarette output and consumption may do well to match the 1969 total.

Cigarette consumption by U.S. smokers in the first half of 1969 was 267 billion, down 1-1/2

Table 1.--Cigarettes: Output, removals, and consumption, 1960-69

Year	Output	Removals					Total U.S. consumption 3/
		Taxable	Tax-exempt				
			Total	Exports	Puerto Rico 1/	Overseas forces 2/	
	Billions						
1960	506.9	470.1	37.0	20.2	2.5	14.3	484.4
1961	528.3	488.1	39.6	22.2	2.8	14.6	502.7
1962	535.5	494.5	41.1	24.1	3.1	13.9	508.4
1963	550.6	509.6	41.1	23.6	3.2	14.3	523.9
1964	539.9	497.4	42.6	25.1	3.7	13.8	511.2
1965	556.8	511.5	44.2	23.1	3.9	17.2	528.7
1966	567.3	522.5	46.1	23.5	3.9	18.7	541.2
1967	576.2	527.8	49.0	23.7	3.9	21.4	549.2
1968	579.5	523.0	53.8	26.5	4.7	22.6	545.6
1969 5/	570.0	518.0	52.0	26.0	4.0	22.0	540.0
	Fiscal year ending June 30--						
1964	535.0	495.1	40.8	23.7	3.5	13.6	508.7
1965	562.4	517.0	43.9	25.1	3.7	15.1	532.1
1966	562.7	516.1	47.2	23.4	4.1	19.7	535.8
1967	572.8	524.9	47.7	23.8	3.7	20.2	545.1
1968	570.7	522.6	48.7	23.6	4.1	21.0	543.6
1969 4/	573.0	520.3	51.5	25.8	4.4	21.3	541.6

1/ Also includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 2/ Also includes ship stores and small tax-exempt categories. 3/ Taxable removals plus overseas forces. 4/ Subject to revision. 5/ Estimated.
Compiled from reports of Internal Revenue Service and Bureau of Census.

Table 2.--Cigarettes and all tobacco products: Consumption per capita, 18 years and over (including overseas forces), 1960-69

Year	Cigarettes 1/		All tobacco products 1/	Cigarettes		All tobacco products
				Number	Pounds	
	Number	Pounds		Indexes--1957-59=100		
1960	4,171	9.64	11.82	106	103	102
1961	4,266	9.84	12.00	109	105	103
1962	4,265	9.69	11.80	109	103	102
1963	4,345	9.70	11.78	111	104	101
1964	4,195	9.22	11.54	107	98	99
1965	4,259	9.37	11.51	108	100	99
1966	4,287	9.08	11.12	109	97	96
1967	4,280	8.85	10.79	109	94	93
1968	4,186	8.65	10.53	107	92	91
1969 2/	4,075	8.37	10.23	104	89	88

1/ Unstemmed processing--weight equivalent of the tobacco. 2/ Estimated.

Table 3.--Cigarette exports from the United States to leading destinations, July 1968-June 1969, January-July 1968/69

Country	July 1968-June 1969	January-July 1968	January-July 1969 1/
Hong Kong	2,951	1,393	1,692
Spain	1,631	943	683
Kuwait	1,193	736	674
Netherlands Antilles	1,236	896	685
Paraguay	731	1,331	364
France	357	303	174
W. Germany	568	432	269
Italy	571	412	328
Ecuador	329	224	177
Panama	1,089	536	664
Canary Is.	643	176	328
Lebanon	558	309	316
Other countries	13,914	6,096	7,517
Total	25,771	13,787	13,871

1/ Subject to revision.

percent from a year earlier. Both U.S. consumption (taxable removals) and shipments to overseas forces were lower. In the second half of 1969, consumption will likely total near the 274 billion a year earlier. Retail prices likely will continue above a year earlier, with gains over 1968 probably smaller than earlier this year.

Cigarette output this year is estimated 1-2 percent below the record 579 billion in 1968 (table 1). Exports, together with shipments to Puerto Rico and U.S. possessions, are expected to total a little below last year.

Consumption per person (18 and older) this year is estimated 2-1/2 percent below 1968 when 4,186 cigarettes (209 packs) were used. This would be about the same rate of decline as last year when consumption fell 2.2 percent (table 2).

In the first 7 months of 1969, both exports and shipments to Puerto Rico and U.S. possessions held about the same as a year earlier, despite the winter dock strike. Among leading destinations, larger shipments went to Hong Kong, Panama and Canary Islands. Sizable declines occurred in shipments to Netherlands Antilles, Kuwait, Paraguay, West Germany, Italy, and France (table 3). U.S. cigarettes were shipped to about 120 foreign countries and territories during 1968.

Cigarette Prices and Taxes Increasing

Retail cigarette prices have continued to increase due to higher wholesale prices and higher State and local taxes. Further increases in tobacco tax rates are likely next year.

Manufacturers increased wholesale cigarette prices in May 1969 and by June retail cigarette prices (filter tip, king size) were 4 percent above a year earlier, and 2 percent above December 1968. A sizable rise is expected in the BLS cigarette price index by the end of the year, reflecting State tax hikes.

With a 2-cent per pack tax effective October 1 in North Carolina, all States now tax cigarettes. In Connecticut the current 16-cent rate--double the rate that applied until July--is the highest State tax in the country. A substantial number of city and local governments also tax cigarettes. State and local taxes in New York City add up to 18 cents a package, the highest in the country. The Federal cigarette tax has been 8 cents per pack since 1951.

Since the start of this year 17 States have increased cigarette tax rates. This compares with 8 States in all of 1968. The weighted average State cigarette tax was 9.8 cents per pack in mid-1969--up from 9.1 cents a year earlier.

Industry Offers to End Cigarette Commercials

Cigarette manufacturers have offered to end broadcast advertising of cigarettes by September 1970, or earlier, if broadcasters are willing to cancel present contracts. This proposal was made in July at Senate Commerce Subcommittee hearings on cigarette labeling and regulation of cigarette advertising. The broadcast industry has made alternative proposals. As a result, The Federal Trade Commission has indicated it may delay issuing its proposed Trade Regulation Rule for requiring a health warning in cigarette advertising.

FTC Asks for Anti-cigarette Presentations

In mid-1969 the Federal Trade Commission and the Department of Health, Education, and Welfare submitted annual reports and recommendations to Congress as required by the Federal Cigarette Labeling and Advertising Act of 1965.

The 1969 HEW report summarizes smoking-health studies that became available after the 1968 report. It does not recommend Federal control over advertising.

The FTC recommended that radio and television broadcasters be required to devote significant broadcast time for anti-smoking programs and announcements, and again recommended a complete ban on cigarette advertising on television and radio, and a strict health warning label on cigarette packages.

The FTC reiterated its 1968 recommendations that a warning label and a statement of the tar and nicotine content of cigarette smoke should be required in all cigarette advertising as well as on cigarette packages. FTC recommended increased HEW spending for public education on health hazards of smoking, and for National Institutes of Health research to develop less hazardous cigarettes.

The FTC also reported the effectiveness of the statement required on cigarette packages and described current forms of cigarette advertising and promotion. The Commission felt the warning statement had not had any significant effect on cigarette sales. The 18 percent increase in advertising expenditures since 1965 tended to offset the effect of the warning label, according to FTC.

Cigarette advertising and promotional expenditures totaled $311 million in 1968, with about 70 percent spent for television. In the past 2 years, 39 percent of advertising expenditures were for 100 millimeter cigarettes.

In August, the Federal Trade Commission reported on "tar" and nicotine content of smoke from 118 brands of cigarettes. This was the fifth report since FTC testing began in 1967.

CIGARS

The decline in cigar consumption from the unusually high peak of 1964 may continue next year. Consumption this year by U.S. smokers and Armed Forces overseas may total 2-3 percent below the 8 billion cigars smoked last year (table 4).

An estimated 121 cigars and cigarillos this year are being consumed on the average per male 18 and older. This is 4 percent below 1968 and 2 percent below the 1959-63 average (table 5).

Fewer cigars are being produced this year in both U.S. and Puerto Rican factories. Cigars from Puerto Rico account for about one-eighth of U.S. consumption. Details of taxable removals (domestic consumption) of cigars, by revenue class, through June of this year, show a continued decline for the medium-priced cigars:

Revenue Class and retail price	Number	Change from 1968
	Bil.	Pct.
A-D (up to 8¢)	2.37	-3.6
E (over 8 to 15¢)	1.12	-8.0
F and G (over 15¢)	.25	+1.7
Total removals	3.74	-4.6

About half of the lower price group A-D are cigarillos (averaging less than half the weight of a full-size cigar). Last year's cigarillo sales were up sharply. Manufacturers have increased cigarillo advertising and promotion in recent years.

Exports of cigars (less than 1 percent of output) have been about 10 percent lower so far this year than last. During the first 7 months of 1969, Japan remained a leading destination. Other sizable destinations include the United Kingdom, Republic of South Africa, the Bahamas, Portugal, Panama, Bahrein, Iceland, and Kuwait.

Little cigars (cigarette-size, not over 3 pounds per thousand) have posted sizable gains in the past 12 months over the previous year. Taxable removals in 1969 are likely to exceed by 200 million the 1968 total of 503.5 million. Little cigars sell in the same general price range as cigarettes.

SMOKING TOBACCO

Sales Declining Again

Production of smoking tobacco for pipes and roll your own cigarettes this year is expected to total about 7 percent below the 66 million pounds of last year (table 4). The long-term trend has been downward, and a further decrease is expected for 1970. Imports, mostly from the Netherlands and the United Kingdom, have increased in recent years but this year may not quite reach the 1968 total of 5-1/2 million pounds. They now account for about 8 percent of U.S. smoking tobacco consumption.

Table 4.--Cigars and smoking tobacco: Output, removals, and consumption

Year and item	United States factories: Output 1/	United States factories: Removals 1/: Taxable	United States factories: Removals 1/: Tax-exempt	From Puerto Rico: taxable	Imports 2/	Exports	Total U.S. consumption 3/
	Millions						
Large cigars and cigarillos							
1962	6,684	6,442	126	483	23	20	7,054
1963	6,716	6,621	144	526	24	33	7,282
1964	8,736	8,106	193	809	28	44	9,092
1965	7,899	7,577	180	911	25	55	8,638
1966	7,165	7,076	193	1,075	25	73	8,296
1967	6,857	6,845	197	1,099	30	76	8,095
1968	7,183	6,759	168	1,036	48	66	7,945
1969 5/	6,900	6,600	150	1,000	50	60	7,740
	Fiscal year, ending June 30						
1965	8,445	7,912	176	850	25	45	8,918
1966	7,517	7,332	210	1,034	25	70	8,531
1967	6,883	6,864	183	1,072	26	74	8,071
1968	7,234	6,868	192	1,114	38	77	8,135
1969 4/	6,867	6,633	154	987	46	63	7,757
	Million pounds						
Smoking tobacco 6/							
1962	70.9	68.3	2.6	---	1.5	.9	71.5
1963	70.4	68.0	2.2	---	1.6	.9	70.9
1964	82.4	79.0	3.4	---	2.7	1.4	83.7
1965	71.8	67.3	3.0	---	2.1	1.0	71.4
1966	67.3	65.3	1.5	---	3.3	.9	69.2
1967	64.8	62.7	2.0	---	3.7	1.3	67.1
1968	66.3	64.1	1.9	---	5.5	1.8	69.7
1969 5/	62.0	60.0	2.0	---	5.0	2.0	65.0
	Fiscal year ending June 30						
1965	74.1	71.4	3.0	---	2.5	1.1	75.8
1966	69.8	65.4	2.4	---	2.8	1.0	69.6
1967	64.3	62.3	1.8	---	3.2	1.1	66.2
1968	66.9	64.6	1.9	---	4.6	1.3	69.8
1969 4/	63.7	62.5	1.7	---	5.3	1.9	67.6

1/ Includes cigar output and removals of bonded manufacturing warehouses--no facilities in this category since February 1964. 2/ Prior to the embargo on imports from Cuba (effective February 1962), the major share of imported cigars came from Cuba. 3/ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. 4/ Subject to revision. 5/ Estimated. 6/ After December 1965, taxable removals data replaced by domestic sales, and tax-exempt removals data replaced by export sales. Prior to July 1962 and after December 1965, import data are from Census classification covering mainly smoking tobacco; from July 1962 through December 1965, data represent taxable removals of imported smoking tobacco reported by Internal Revenue Service.

Compiled from reports of the Internal Revenue Service, Bureau of the Census, and Consumer and Marketing Service, USDA.

Table 5.--Chewing tobacco, snuff, and small cigars: Output for specified periods

Period	Chewing tobacco					Snuff	Small cigars 1/
	Plug	Twist	Fine-cut	Scrap	Total		
	Million pounds						
1963	24.9	2.9	3.3	34.2	65.3	31.8	281.4
1964	25.9	2.8	3.5	34.0	66.2	31.4	973.9
1965	24.7	2.8	3.7	33.9	65.1	29.7	440.7
1966	24.3	2.7	3.9	34.3	65.2	29.5	445.3
1967	23.7	2.6	4.1	34.0	64.4	29.3	434.2
1968	22.9	2.6	4.3	35.7	65.4	27.1	523.3
1969 3/	22.7	2.5	4.3	37.0	66.5	26.5	725.0
	Fiscal year						
Year ending June							
1964	25.9	2.8	3.4	34.2	66.3	31.9	913.2
1965	25.1	2.8	3.6	33.4	64.9	30.3	437.7
1966	24.5	2.9	3.8	34.2	65.4	30.0	474.7
1967	24.2	2.6	4.0	34.2	65.0	29.1	420.6
1968	23.2	2.6	4.2	34.7	64.7	28.6	462.1
1969 2/	22.8	2.5	4.0	36.4	65.7	27.2	631.6

1/ Weigh not more than 3 pounds per thousand (about cigarette size). 2/ Subject to revision. 3/ Preliminary estimates.

Basic data compiled from reports of the Internal Revenue Service and Consumer and Marketing Service, USDA.

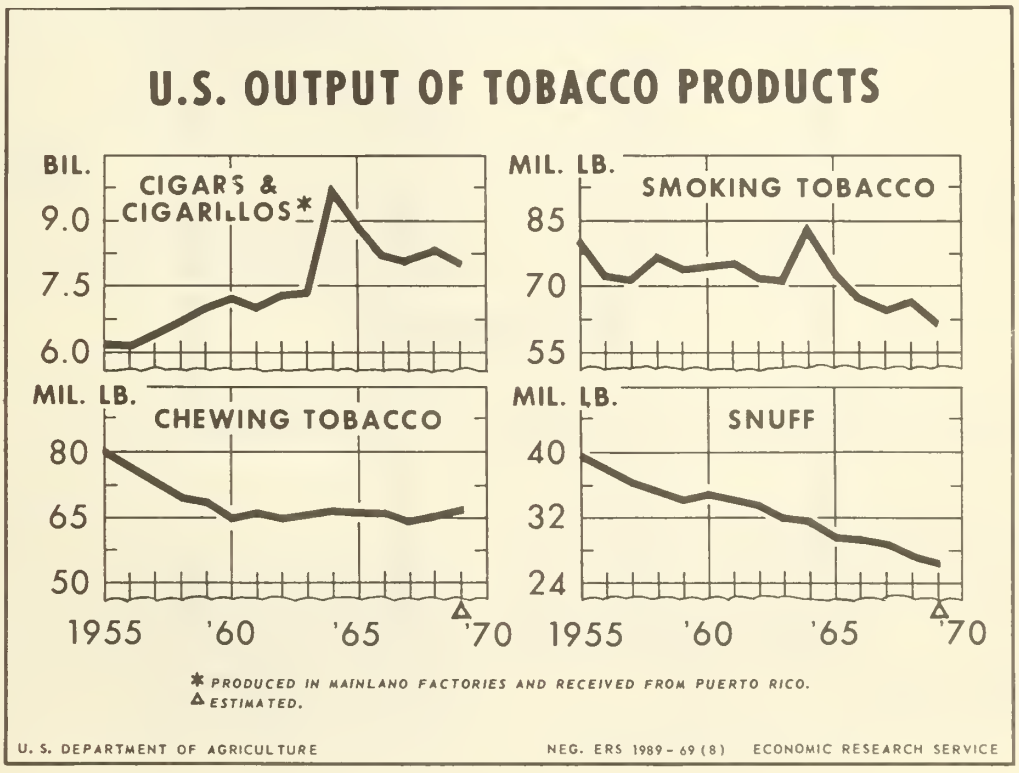


Table 6.--Consumption of cigars, smoking tobacco and chewing tobacco per male, and snuff per person, 18 years and over, and indexes for specified periods

Period	Consumption per male 18 years and over				Per person 18 years and over
	Large cigars and cigarillos 1/		Smoking tobacco 1/	Chewing tobacco 1/	Snuff 1/
	Number	Pounds	Pounds	Pounds	Pounds
Average:					
1925-29	177.4	4.10	4.15	5.03	0.52
1930-34	125.2	2.96	4.40	3.15	.46
1935-39	120.9	2.89	4.39	2.48	.42
1940-44	118.9	2.87	3.67	2.34	.43
1945-49	113.7	2.74	2.35	2.01	.41
1950	107.8	2.53	2.03	1.67	.38
1951	110.8	2.56	1.89	1.62	.37
1952	115.1	2.72	1.80	1.58	.36
1953	115.5	2.72	1.62	1.55	.36
1954	112.8	2.64	1.55	1.48	.35
1955	112.8	2.60	1.47	1.44	.35
1956	110.8	2.41	1.30	1.36	.34
1957	113.0	2.37	1.27	1.29	.32
1958	117.3	2.45	1.37	1.23	.31
1959	124.9	2.55	1.31	1.20	.29
1960	124.7	2.42	1.30	1.13	.30
1961	122.9	2.43	1.30	1.13	.29
1962	121.9	2.40	1.24	1.10	.28
1963	124.6	2.39	1.22	1.11	.27
1964	154.4	2.69	1.42	1.11	.26
1965	143.9	2.58	1.19	1.07	.24
1966	136.1	2.41	1.13	1.05	.23
1967	130.7	2.28	1.08	1.04	.23
1968	126.4	2.19	1.11	1.05	.21
1969 2/	121.4	2.18	1.02	1.04	.20
	1957-59=100				
Average:					
1925-29	150	167	316	406	168
1930-34	106	120	334	254	150
1935-39	102	117	333	200	138
1940-44	100	117	279	189	140
1945-49	96	112	179	162	132
1950	91	103	154	134	125
1951	94	104	144	131	121
1952	97	111	137	128	118
1953	98	111	123	125	117
1954	95	107	118	120	115
1955	95	106	112	116	115
1956	94	98	99	110	110
1957	95	97	97	104	105
1958	99	100	104	99	100
1959	105	104	99	97	95
1960	105	98	99	91	97
1961	104	99	99	91	93
1962	103	97	94	89	91
1963	105	97	93	89	86
1964	130	109	108	90	84
1965	122	105	90	86	78
1966	115	98	86	85	75
1967	110	93	82	84	75
1968	107	89	84	84	68
1969 2/	103	89	79	84	65

1/ Unstemmed weight equivalent for cigars and finished-product weight for all others.
2/ Preliminary estimate.

Domestic use of smoking tobacco the first half of this year, including imports, totaled 33-1/2 million pounds, 5 percent below a year earlier. By midyear wholesale prices averaged 7 percent above year-ago levels. For all of this year, U.S. smoking tobacco consumption may total around 7 percent below the 70 million pounds used last year.

Exports are a small outlet for U.S. smoking tobacco in packages, and for January-July 1969, they were about the same as a year earlier. Major foreign destinations in 1968 were the Netherlands, Yugoslavia, Canada, Ireland, West Germany, and Australia.

Bulk Tobacco Exports

Exports of smoking tobacco in bulk have trended upward for several years due to the growing popularity overseas of American-type blended cigarettes. This year exports may not gain above the 21-1/2 million pounds in 1968. This export catagory consists primarily of specially prepared cigarette leaf and cut or shredded tobacco.

In the first 7 months of 1969 exports of smoking tobacco in bulk were 9.9 million pounds compared with 11.1 million a year earlier. Among leading export destinations, increased exports so far in 1969 have gone to the Dominican Republic, about the same amount to Italy, and smaller shipments to Peru and Spain.

CHEWING TOBACCO AND SNUFF

Chewing Tobacco Output May Gain

Production of chewing tobacco in 1969 may be about 2 percent above the 65-1/2 million pounds of 1968 as per capita use is steadying. Scrap chewing is accounting for the gain while plug, twist, and fine-cut chewing tobacco output may be down slightly. Scrap chewing tobacco uses substantial quantities of Wisconsin binder and Pennsylvania filler, while plug chewing uses mainly dark air-cured and burley.

Since 1960, output of chewing tobacco has remained fairly stable after prior declines. Increases in scrap and fine-cut chewing have about offset decreases in plug and twist.

Most chewing tobacco is consumed domestically. Exports, mainly twist and plug, declined almost steadily in the past decade to 210,000 pounds by 1968. In the first 7 months of 1969, these exports were only 19,000 pounds.

Snuff Output Lower

Production of snuff is estimated about 2 percent less than in 1968 and almost one-fourth below output a decade ago. Snuff output was relatively stable prior to 1956, but has since trended downward. The downtrend is expected to continue.

Virtually all U.S. snuff output is consumed domestically, mainly in the South and Northwest, and in industries where smoking is hazardous or inconvenient. Snuff is the principal domestic outlet for the fire-cured types.

FOREIGN TRADE

U.S. EXPORTS AND IMPORTS

Leaf Exports Heavy, But Trailing Last Year

U.S. exports of unmanufactured tobacco during January-July were 10 percent below last year's level and during the rest of 1969 they may not equal those of a year earlier. For this calendar year they may total slightly below the 599 million pounds (665 million farm-sales weight) of 1968, a longtime high. But they will still be the second largest since 1946 and about 15 percent above the 1961-65 average.

Shipments made last fall in anticipation of last winter's dock strike swelled the 1968 total. Much of the reduction so far this year was due to the dock strike. March-July exports of 248 million pounds this year were one-fourth above those 5 months of 1968.

For January-July 1969 a decline in exports of flue-cured--the principal export class--

accounted for most of the shortfall in U.S. leaf tobacco exports (table 7). There were more shipments of burley and perique, but most other types were lower. Exports of cigar types were less than half of last year's.

Sizable gains in takings by West Germany, Italy, and South Vietnam failed to offset a January-July decline in exports to the United Kingdom, the largest importer of U.S. tobacco. Other declines were made by Japan, the Netherlands, Ireland, and Thailand. This year's exports to the United Kingdom were held down by the U.S. dock strike in the first quarter but have made a good recovery since. Lower priced tobaccos from several Asian and African sources, especially South Africa and South Korea, made up for most of the decline in U.S. supplies. Some of the European countries that have taken smaller shipments so far this year have been experiencing reduced economic activity and changes in tax systems; their taking will likely rebound next year.

Exports Prospects in 1969/70

For the year ending next June 30, U.S. leaf tobacco exports will do well to equal the 571 million pounds (export weight) of 1968/69. Hindering U.S. exports are substantial competitive supplies overseas--often available below the level of U.S. prices--technological changes in foreign manufacturing methods, the continued tobacco-health controversy, and higher U.S. tobacco prices. Favoring U.S. exports are the continued U.N. sanctions against Rhodesian tobacco, the high quality of this year's flue-cured crop and the U.S. export payment program. Also, stocks of U.S. tobaccos are still at relatively low levels in the United Kingdom and West Germany. Thus, exports will likely hold above the 1962-66 average and just short of last year's level.

The U.S. export payment program was expanded effective August 18 to include Maryland, Pennsylvania filler, shade grown cigar wrapper, and Perique. The payment rate is 5 cents per pound based on the unstemmed-leaf packed weight or unstemmed packed weight equivalent.

In 1968/69 the export quantity was 1 percent above the level of 1967/68 and the value at $507 million was 3 percent higher. The farm-sales weight of 635 million pounds was 0.5 percent higher.

Exports to West Germany rebounded after the 1967/68 decline when Germany imposed a value-added tax. Several destinations in Southeast Asia took larger shipments. United Kingdom--long the principal U.S. leaf export market--decreased takings about one-fifth after 2 years of gains. United Kingdom's currency devaluation in 1967 increased its import costs. It also imposed higher tobacco duties last year.

As long as the economic sanctions carried on against Rhodesia by Great Britain and the United Nations continue, U.S. tobacco exports probably will be higher than they otherwise would be. The high quality of U.S. leaf is a favorable factor in foreign trade but many countries are producing more tobacco locally, or importing more of their requirements from other low-cost production areas such as the Far East, the Balkan countries, and certain areas of Africa. Economic activity abroad is relatively high and world cigarette consumption continues to increase. But technological changes in manufacturing and the increasing trend toward filter cigarettes mean that leaf requirement does not increase proportionately with cigarette consumption. Also, the EEC and United Kingdom preferential arrangements hamper the exports of countries outside these groups.

The proposed EEC Common Agricultural Policy for tobacco is still in the development stage and alternatives are being considered. Discussions have been scheduled to consider again the U.K. membership. The impact of these changes on U.S. tobacco trade is still to be determined.

Government Program Tobacco Exports

U.S. tobacco exports under Government financed programs (Title I Public Law 480) in 1968/69 totaled 37 million pounds--valued at $32 million (table 8).

Tobacco exported for foreign currencies under Title I, declined 3 million pounds in 1968/69 as there were no sales to Pakistan. Most of the exports for foreign currencies went to South Vietnam and China (Taiwan).

Sales for long-term dollar credit (Title I) totaled 16.9 million pounds substantially above the preceding year, reflecting a shift in program emphasis from sales for foreign currencies. The Philippines and Colombia received about half of these exports.

Table 7.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	Year ending June 30				January-July		
	Average 1962-66	1967	1968 1/	1969 1/	1968 1/	1969 1/	1969 as a percentage of 1968
	Million pounds						Percent
Flue-cured	387.9	481.6	427.4	417.2	217.6	190.3	87
Burley	45.2	50.2	38.0	47.7	19.9	28.6	144
Maryland	10.9	14.5	12.4	14.7	6.6	5.9	89
Fire- and sun-cured	24.4	26.9	23.9	24.9	12.9	11.3	88
Green River	.7	.8	.6	.4	.5	.4	80
One Sucker	.6	1.2	.6	1.0	.2	.2	100
Black Fat, etc.	3.9	3.7	3.1	1.8	1.4	.5	36
Cigar wrapper	4.7	3.8	4.4	3.5	2.9	1.5	52
Cigar binder	1.8	1.8	2.2	.8	1.8	.4	22
Cigar filler	.5	1.8	.7	.8	.2	.4	50
Perique	.2	.4	.2	.8	.1	.6	600
Stems, trimmings, and scrap	15.5	39.9	51.2	57.6	23.6	19.8	84
Total	496.3	626.6	564.7	571.2	287.7	259.9	90
Country of destination:							
United Kingdom	123.9	145.8	152.7	124.8	59.3	36.2	58
France	6.1	7.2	5.9	8.1	2.6	3.9	150
Belgium	16.9	21.3	19.1	18.6	11.2	11.0	98
Netherlands	32.4	37.0	39.6	39.8	22.9	18.6	81
West Germany	82.2	126.7	84.2	108.9	51.1	67.4	132
Portugal	5.9	4.2	6.9	6.2	3.9	5.1	131
Denmark	13.6	20.6	17.6	18.8	10.2	10.7	105
Ireland	14.1	18.0	13.2	13.1	7.0	4.2	60
Switzerland	13.6	21.2	19.3	26.7	12.4	12.3	99
Finland	7.0	6.7	5.0	5.9	2.7	3.4	126
Norway	6.9	10.8	10.7	6.1	5.9	3.6	61
Sweden	15.6	20.5	16.5	13.7	5.0	2.2	44
Italy	11.3	2.7	7.4	7.3	1.1	6.0	545
Spain	2.5	5.8	4.6	4.8	4.7	3.9	83
Thailand	11.7	21.5	19.6	26.5	14.3	12.0	84
S. Vietnam	6.6	15.4	10.8	14.2	3.7	7.5	203
Malaysia 2/	6.3	7.0	9.9	11.8	4.9	5.9	120
Hong Kong	7.2	5.0	6.0	4.8	3.0	2.0	67
Japan	30.0	40.6	36.0	38.3	12.9	2.5	19
Australia	16.9	20.4	12.4	16.9	8.6	5.7	66
New Zealand	3.8	5.0	4.7	4.4	2.9	1.0	34
Egypt	13.9	4.7	.7	.9	0	1.4	---
Other countries	47.9	58.5	61.9	50.6	37.4	33.4	89
Total	496.3	626.6	564.7	571.2	287.7	259.9	90

1/ Subject to revision.
2/ Malaysia and Singapore.

Compiled from publications and records of the Bureau of the Census.

Table 8.--Tobacco exports under Government programs, and exports for dollars, fiscal years, 1955-69

Year ending June 30	Exports under specified Government programs					Commercial sales for dollars	Total unmanufactured tobacco exports
	Title I, P.L. 480		Barter sales 1/	Mutual Security and A.I.D. programs	Total		
	Foreign currency sales	Long-term dollar credit sales					
	Quantity (export weight)						
	Million pounds						
1955	5.4	---	---	22.0	27.4	434.2	461.6
1956	78.9	---	---	3.5	82.4	495.3	577.7
1957	52.3	---	---	.8	53.1	447.6	500.7
1958	34.5	---	0.5	---	35.0	437.3	472.3
1959	41.0	---	1.5	5.7	48.2	425.1	473.3
1960	41.9	---	29.4	23.2	94.5	362.1	456.6
1961	40.2	---	40.4	20.0	100.6	403.6	504.2
1962	26.1	---	77.4	2.8	106.3	413.7	520.0
1963	28.7	1.2	18.1	---	48.0	425.3	473.3
1964	35.5	3.8	15.4	.6	55.3	476.8	532.1
1965	21.2	4.5	18.8	5.1	49.6	434.4	484.0
1966	43.2	1.3	76.9	5.8	127.2	345.0	472.2
1967	21.1	5.5	106.3	3.0	135.9	490.7	626.6
1968	22.9	10.9	82.0	.6	116.4	448.3	564.7
1969 2/	19.9	16.9	90.5	3/	127.3	443.9	571.2
	Value						
	Million dollars						
1955	4.0	---	---	11.4	15.4	291.0	306.4
1956	55.8	---	---	1.6	57.4	322.0	379.5
1957	36.3	---	---	.7	37.0	303.1	340.1
1958	25.5	---	0.4	---	25.9	317.0	342.9
1959	30.5	---	1.0	2.8	34.3	315.9	350.2
1960	30.8	---	19.6	18.4	68.8	273.1	341.9
1961	29.4	---	25.1	16.5	71.0	287.2	385.2
1962	19.6	---	46.3	1.8	67.7	339.8	407.5
1963	22.5	1.6	12.4	---	36.5	341.9	378.4
1964	23.8	2.9	8.5	.8	36.0	384.7	420.7
1965	14.9	4.6	13.1	2.8	35.4	359.9	395.3
1966	29.9	.9	54.9	4.4	90.1	394.7	394.7
1967	15.6	4.0	84.6	2.4	106.6	398.7	505.3
1968	21.4	8.7	75.3	.6	106.0	387.7	493.7
1969 2/	16.8	14.7	91.5	2/	123.0	383.8	506.8

1/ Since 1963, mostly overseas supply transactions, essentially equivalent to dollar sales. 2/ Preliminary. 3/ Data not available. Total unmanufactured tobacco exports include CCC credit sales (credits for relatively short periods) of (million pounds): 1964, 1.0; 1965, 0.3; 1966, 0; 1967, 17.0; 1968, 16.6; 1969, 11.7.

Barter sales are now included under commerical exports. Tobacco is exchanged for materials and services used by U.S. agencies overseas. These transactions, considered equivalent to dollar sales, make a direct contribution to the U.S. balance of payments.

In 1968/69 tobacco barter exports were 90 million pounds--8 million higher than the previous year. About seven-tenths of barter exports went to Western Europe, one-fifth went to the Far East and Pacific countries, and the remainder to other areas.

Tobacco: Government program exports to leading destinations, fiscal year 1969

Country	Amount
	----- Million pounds -----
	Foreign currency sales
Viet Nam	14.2
China (Twaian)	4.7
Tunisia	0.5
India	0.4
	Dollar credit
Philippines	4.8
Columbia	3.7
Congo	2.5
Dominican Republic	1.6
Chile	1.2
	Barter
United Kingdom	27.1
West Germany	12.2
Japan	8.0
Malaysia	6.8
Spain	6.0
Portugal	6.0
Finland	4.1
Ireland	2.6
Netherlands	2.2
Singapore	2.0

U.S. Tobacco Imports May Equal 1968 Record

U.S. tobacco imports for consumption (factory use of imports) during January-July 1969 were 122 million pounds, compared with 135 million of a year earlier (table 9). Most of the decline was in cigarette leaf from Turkey, Greece, and Yugoslavia. Imports of cigar tobaccos equaled year-ago levels.

For 1969 factory use of imported unmanufactured tobacco could reach the record 221-1/2 million pounds of last year. Though the use is currently below last year, there are record-large stocks of foreign leaf in the United States, and substantial supplies remain available overseas at prices competitive with U.S. tobaccos.

The United States, the world's largest producer and exporter of tobacco, is the third largest importer (after the United Kingdom and West Germany), buying tobacco mainly for blending with domestic types in the manufacture of cigarettes and cigars. Imports for consumption, a measure of manufacturers' use, may account for about one-sixth of total U.S. consumption this year.

Many countries maintain and regulate imports through the use of monopolies, import quotas, import licenses, foreign exchange controls, mixing regulations, state trading, barter arrangements or advance desposit requirements. But despite the U.S. price support program, our non-tariff restrictions on imports of tobacco apply only for certain communist areas.

Practically all U.S. imports of cigarette leaf tobacco are dutiable at the rate of 12 cents per pound. This was equivalent to 18 percent ad valorem on 1968/69 imports. Except for lower duties on Philippine entries, scrap tobacco is dutiable at 16.1 cents per pound.

January-July 1969 general imports of tobacco (total arrivals: direct entries, including intransit shipments, plus those placed in bonded warehouses) were 179 million pounds, 4 percent below the comparatively high figure of a year earlier. Cigar tobaccos gained; cigarette tobaccos declined.

Stocks of foreign-grown cigarette and smoking tobacco in the United States on July 1, 1969, were record-large for that date--451 million pounds (farm-sales weight) or 2 percent above a year earlier.

1968-69 Import Summary

U.S. tobacco imports declined 8 million pounds in the year ended June 30, 1969, and average value per pound declined 3 cents.

Table 9.--U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, fiscal year, and January-July 1968-69 1/

(Declared weight)

Classification and country of origin	Imports for consumption				General imports (arrivals)			
	Year, July-June 1969	January-July 1968	January-July 1969	1969 as a percentage of 1968	Year, July-June 1969	January-July 1968	January-July 1969	1969 as a percentage of 1968
	--- Million pounds ---			Percent	---- Million pounds ---			Percent
Cigarette tobacco:								
Leaf, unstemmed								
Oriental								
Turkey	95.6	56.6	55.1	97	110.5	80.4	73.4	91
Greece	30.8	28.1	17.4	62	24.2	37.2	25.4	68
Yugoslavia	14.5	10.2	8.7	85	13.5	13.3	16.9	127
Other countries	6.6	3.7	2.8	76	7.8	4.3	6.3	147
Flue-cured and burley	3.4	1.9	3.3	174	10.1	7.3	9.5	130
Sub total	150.9	100.5	87.3	87	166.1	142.5	131.5	92
Scrap								
Turkey	6.9	3.8	3.9	103	13.8	2.4	4.2	175
Other countries 2/	3.2	2.1	2.2	105	4.6	4.5	1.7	38
Total cigarette tobacco	160.9	106.4	93.4	88	184.5	149.4	137.4	92
Cigar tobacco:								
Wrapper	.8	.4	.4	100	1.2	.4	.7	175
Filler-stemmed and unstemmed								
Dominican Rep.	.7	.6	.5	83	5.4	8.7	4.1	47
Other countries	4.4	2.6	2.3	88	25.7	14.5	20.1	139
Sub total	5.2	3.2	2.8	88	31.1	23.2	24.2	104
Scrap								
Philippine Rep.	22.5	11.7	13.5	115	24.0	10.9	13.0	119
Colombia	4.0	2.3	2.6	113	.4	3/	.4	---
Dominican Rep.	5.9	3.7	3.2	86	1.2	1.0	.5	50
Brazil	3.9	2.5	2.0	80	.1	3/	.1	---
Other countries	5.5	3.9	3.5	90	2.0	.3	1.6	533
Sub total	41.8	24.2	24.8	102	27.7	12.3	15.6	127
Total cigar tobacco	47.9	27.7	28.0	101	60.0	35.9	40.4	113
Stems	2.0	.6	1.0	167	1.7	.3	1.0	333
Grand total 4/	210.7	134.7	122.3	91	246.2	185.6	178.9	96

1/ Preliminary.
2/ Canada, Greece, Cyprus, Lebanon, India, Korea.
3/ Less than 50,000 pounds.
4/ Detail may not add to total due to rounding

Compiled from publications and records of the Bureau of the Census.

Both the quantity and average value of oriental cigarette tobacco declined (table 10).

The largest decline in imports for consumption was in cigarette leaf from Greece, while other principal sources supplied about the same quantities. The increase in volume of low-value scrap also reduced the combined value.

Imports of cigar scrap increased but still remained below the relatively high level of 1964/65. Most of the 1968/69 gain was from the Philippines, a leading source.

Oriental leaf arrivals were down from last year. Most of the decline was in arrivals from Greece. Flue-cured, burley leaf, and oriental scrap gained further.

FOREIGN PRODUCTION AND SALES

World production of cigarettes gained 4 percent last year over 1967, as population and incomes rose. A further gain is expected this year, but international trade in tobacco is more steady because of rising local production in many areas and because of manufacturing changes to economize on leaf use.

Flue-cured tobacco is the leading kind entering international trade. World tobacco trade is still being affected by sanctions against Rhodesian tobacco. To fill the Rhodesian deficit, many foreign suppliers are increasing production and actively competing for a larger share of world markets. Even though most foreign-grown tobacco cannot match the quality of U. S. leaf, many countries can produce it and export it for about half the level of U. S. prices. In trading areas such as the British Commonwealth and the EEC, manufacturers have been trying to develop supplies from within the duty preference areas because of lower duties than non-preferential tobaccos such as from the United States.

Flue-cured Production Gains

Harvest of foreign flue-cured tobaccos during the first half of 1969--mainly in the Southern Hemisphere--is estimated up 4 percent from the 955 million pounds in 1968. Increased plantings and higher yields resulted in a larger harvest in India, despite some flood damage.

The Indian Government is sponsoring a program to increase output of export tobacco, and to shift production into lighter soil areas. Subsidies for barns, wells, seedlings, and chemicals are involved. Indian flue-cured tobacco exports averaged 44 cents per pound last year. This year surplus tobacco is being offered at much lower prices.

The 1969 Rhodesian flue-cured crop was sold at secret auctions this spring with a guaranteed average grower return equivalent to 29 U.S. cents per pound. For the 1970 flue-cured crop, the production goal of 132 million pounds and the price guarantee are the same as for 1969.

In Zambia, production declined a little this year, and was considerably short of production goals. This year's smaller flue-cured crop averaged 49.4 cents per pound, 6.6 cents above last year. The 1970 flue-cured output goal of 25-30 million pounds may not be reached because of labor problems and British buyers may not maintain their historic share of purchases.

The 1969 flue-cured crop in Canada may total about the same as last year. In Ontario, where most of the crop is grown, the marketing board expects the crop to reach the target of 200 million pounds.

1969 Output Higher in Greece and Turkey

Oriental tobacco--also a light cigarette tobacco--ranks second in international trade. Greece and Turkey are the principal producers and exporters. These crops are normally available for export 2 years after production. This year's Oriental crops in both Greece and turkey may be larger than last year when weather was unfavorable.

In Greece the 5-year plan for tobacco gives production targets and several measures for improved production, marketing and export promotion. The 1974 production targets are 230 million pounds for oriental leaf and 31 million for burley. In Turkey, the tobacco monopoly is discouraging production of less saleable tobacco from irrigated bottom lands.

1969 Trade by Major Exporters

Canada exported 24 million pounds of flue-cured tobacco in January-May 1969--nearly 3 million less than a year earlier. About 91 percent was shipped to the United

Table 10.--U.S. imports of unmanufactured tobacco: Quantity and average value, by kinds, 1968/69

Kind	Quantity		Value per pound	
	1968/69	Change from 1967/68	1968/69	Change from 1967/68
	Million pounds		Cents	
	Imports for consumption			
Cigarette				
leaf	150.9	-14.9	67.1	-3.1
Scrap (oriental) 1/	10.1	+1.9	15.3	+1.6
Cigar				
leaf	6.0	-.2	149.2	+22.6
Scrap	41.8	+3.6	43.5	+.8
Total 2/	210.7	-8.3	61.7	-3.0
	General imports			
Cigarette				
Oriental leaf	156.0	-29.4	63.4	-4.5
Flue-cured and burley leaf	10.1	+2.0	30.1	-1.1
Scrap (oriental) 1/	18.4	+4.5	10.1	+1.7
Cigar				
Wrapper	1.2	+.6	391.1	-28.9
Filler	31.1	-1.0	38.4	-3.2
Scrap	27.7	+10.1	33.4	+1.8
Total 2/	246.2	-12.0	52.7	-5.8

1/Turkey, Canada, Greece, Cyprus, Lebanon, India and Korea. 2/Includes stems.

Table 11.--U.S. tobacco allotments, by kinds of tobacco, 1969

Kinds 1/	Allotments	Acreage allotted	Average size of allotment
	Number	Acres	
Flue-cured (11-14) 2/	194,381	607,869	3.13
Burley (31)	282,875	249,761	.88
Va. fire-cured (21)	6,335	10,302	1.63
Ky.-Tenn. fire-cured (22-23)	16,537	26,995	1.63
Dark air-cured (35-36)	22,178	12,607	.57
Va. sun-cured (37)	1,345	2,549	1.89
Cigar binder (51-52)	744	5,954	8.00
Cigar filler and binder (42-44, 53-55)	6,365	18,855	2.95
Total	530,760	934,892	1.76

1/Type number in parentheses. 2/Flue-cured is acreage-poundage with base quota of 1,127.1 million pounds and a national average yield goal of 1,854 pounds per acre.

Kingdom. Other destinations included other Commonwealth countries, United States, Denmark, and the Netherlands.

India's flue-cured exports of 12 million pounds in January-March 1969 were down 1 million from a year earlier, reflecting the smaller 1968 crop. Most of the January-March exports went to the United Kingdom, and were 8 percent below a year earlier. Also receiving less this year were Egypt, Russia, and Hungary.

In Turkey, unmanufactured tobacco exports in January-April 1969 were 65 million pounds--8 million less than a year earlier. This was mainly because of smaller consignments to the United States. Shipments to EEC countries and Eastern Europe increased.

In Greece, unmanufactured tobacco exports in January-June 1969 (from the large 1967 crop and prior crops) at 71 million pounds were 11 million more than a year earlier. Most markets except the United States took more than in 1968. Average value of exports was lower than last year.

British Tobacco Situation

The United Kingdom is the single largest taker of U.S. tobacco, accounting for about one-fourth of all U.S. exports of unmanufactured tobacco. United Kingdom tobacco imports consist principally of flue-cured, used for cigarette manufacture for home consumption and exports.

The United Kingdom's trade has been affected for several years by increasing tobacco duties. The proportion of leaf imports in unstripped form continues to decline. Manufacturers have introduced cheaper tipped brands of cigarettes with smaller tobacco content. The filter tip proportion reached 71 percent of output in 1968. As a result, domestic tobacco use has been about static for several years, even though cigarette sales still gain. United Kingdom cigarette exports, which last year reached their highest level since 1956, rose further in the first 7 months of 1969, to 8 percent above a year earlier.

Since last April, the duty on unmanufactured tobacco imported into the United Kingdom from non-Commonwealth sources is equivalent to $12.10 a pound. Commonwealth sources which include the major flue-cured producers and exporters, India and Canada, receive a preferential rate equivalent to $11.91-1/2--a margin of preference equal to 18-1/2 cents a pound.

United Kingdom manufacturers' use (gross clearances from bond) declined 1 percent in the first half of 1969 and the U.S. share increased slightly to 51-1/2 percent of flue-cured clearances. With the U.S. dock strike of last winter affecting shipments, data on stocks and imports (arrivals) are distorted. But, by the end of June, United Kingdom stocks of U.S. tobacco represented 1-1/4 year's supply compared with 1-1/2 year's supply a year earlier. So some rebuilding of U.S. stocks appears likely in 1969/70. But to offset loss of Rhodesia supplies, arrivals from non-traditional sources will continue to gain. These souces include Tanzania, Malawi, Pakistan, South Africa, South Korea, and Thailand.

TOBACCO LEAF SITUATION AND OUTLOOK 1/

Growth in U.S. leaf sales in the 1960's has trailed the expansion in worldwide cigarette sales. U.S. manufacturers now use less tobacco leaf per cigarette than a decade ago because an increasing share is filter tipped, and manufacturers use most of the stems and more reconstituted sheet tobacco and imported scrap and leaf. Manufacturers in foreign countries have also been economizing in the use of leaf tobacco, and they are also buying more tobacco from other areas at prices considerably below the U.S. prices.

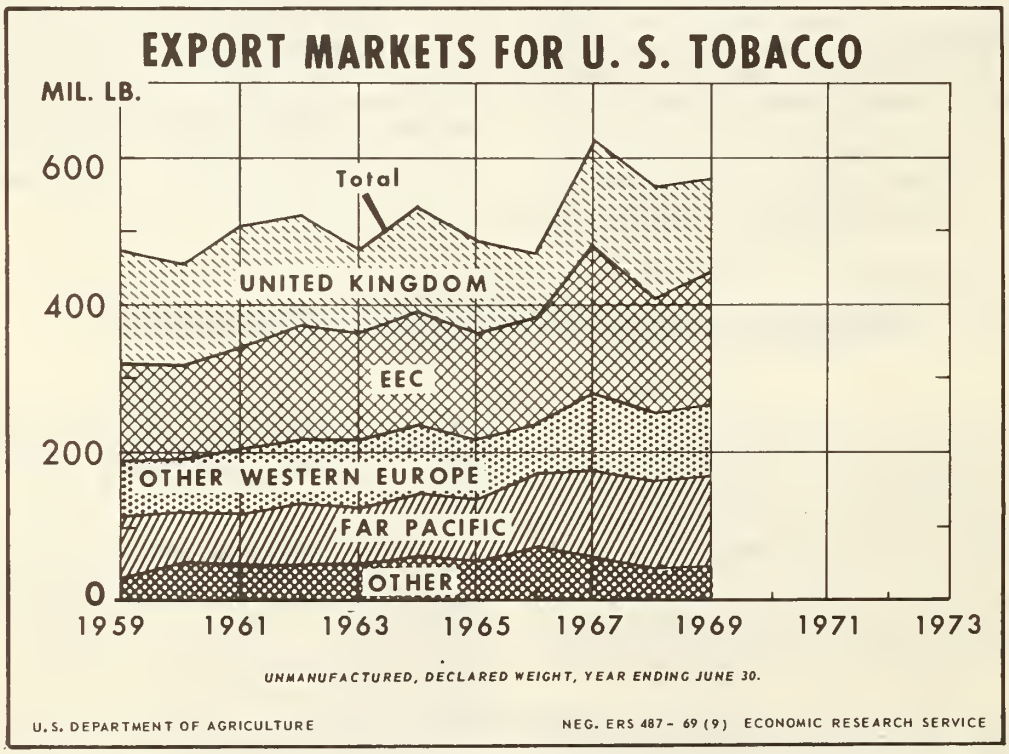
Many overseas users prefer the taste, flavor, and aroma of U.S. tobacco, but our higher wages and other production costs mean higher U.S. prices. Many other exporting countries have lower wage rates and no production controls. Also tariffs as well as non-tariff barriers of other governments limit U.S. tobacco exports. U.S. production declined from 2.2 billion pounds in 1950-54 to 1.9 billion in 1965-68. So due to

1/ All quantities in this section are stated in farm sales weight equivalent unless otherwise noted.

Table 12.--United Kingdom tobacco: Imports, stocks, clearances, and exports 1966-69

Item	July-June 1966-1967	1967-1968	1968-1969	Item	July-June 1966-1967	1967-1968	1968-1969
	Million pounds				Million pounds		
Imports, by source:				Gross clearances			
United States	145	152	134	Full duty rate 1/	161	149	169
Commonwealth	118	130	132	Commonwealth rate 2/	140	158	137
Other	20	23	35				
Total	284	305	301	Total	301	307	306
Exports, manufactured:	37	42	45	Flue-cured			
				United States	128	141	147
				Canada	44	47	43
Re-exports, unmanufactured:	3	4	3	India	38	42	44
				Rhodesia	63	34	16
				Zambia and Malawi	2	8	10
Stocks, June 30				Other	10	12	22
Flue-cured	386	381	364				
				Total	285	284	282
Total	423	420	413	Net clearances:	236	239	236

1/ Equivalent to $12.10 per pound. 2/ Equivalent to $11.91-1/2 per pound.
Compiled from official United Kingdom sources.



reduced U.S. tobacco output and increased foreign production, the U.S. share of world leaf output fell from 29 percent in the early 1950's to 19 percent in the past 4 years.

Demand for high quality tobacco is shown by the increased sales of cigarette brands containing high proportions of U.S. tobacco. But sales of brands containing lower priced leaf continue to rise faster and the U.S. share of world output will probably decline further in the years ahead.

1970 Marketing Quotas and Allotments

By December 1, USDA will announce the 1970 flue-cured marketing quota on an acreage-poundage basis, the national average yield goal, and the matching national acreage allotment. Flue-cured growers in a 1967 referendum approved acreage-poundage quotas for 1968-70 crops. Adjustments in individual farm quotas and matching acreage allotments will reflect the overmarketings and undermarketings for the previous year. This year's crop is below the quota so next year's effective quota will again be above the basic quota.

By next February 1, the 1970 marketing quotas and acreage allotments will be announced for burley and certain other kinds of tobacco. Shortly after the announcement, growers of fire-cured (types 21-23) and dark air-cured (types 35-36) will vote in referendums on whether they favor continuing acreage allotment quotas on their next 3 crops. If at least two-thirds of the farmers voting approve, the marketing quotas continue in effect. Producers of burley, Virginia sun-cured, cigar binder, and Ohio filler types approved marketing quotas applicable to the 1970 crop in previous referendums.

For Puerto Rico cigar filler, the Commonwealth Government of Puerto Rico has set quotas for many years.

Maryland and Pennsylvania tobacco growers disapproved marketing quotas in the last referendums (1968) so Government price support is not available for 1968-70 crops. Shade-grown cigar wrapper (types 61-62) is not covered by marketing quota legislation.

1970 Price Support Levels

The overall price support for eligible 1970 tobacco crops will be about 3-1/2 percent above the 1969 price support levels--some 19 percent above the 1959 level. This estimate is based on the trend in the parity index. As required by the Agricultural Act of 1949, the price support adjustment for 1970 will be based on the average of the parity index in 1967, 1968, and 1969 compared with 1959.

Before 1960, price support levels for major tobaccos were set at 90 percent of parity prices. The 1960 amendment to the 1949 law set 1960 crop support prices at the 1959 level and provided for the parity index adjustment beginning in 1961. As a result of the adjustment factor, the increase in the support level has averaged 1.6 percent annually for 1961 through 1969; the 3.6 percent increase in 1969 was the largest since the 7 percent increase for flue-cured and burley tobacco in 1958. This amendment dampened the rate of increase in price supports compared with the rises that would have occurred under the old formula.

FLUE-CURED

Flue-cured tobacco (types 11-14) makes up 60 percent of U.S. production and about four-fifths of U.S. tobacco exports. It accounts for half of the tobacco used in U.S. cigarettes. In the United Kingdom cigarettes are made with virtually 100 percent flue-cured tobacco, but other foreign cigarettes are made of several kinds of tobacco.

1969 Auction Season

Flue-cured tobacco sold at auction markets this season through September 19 averaged 73 cents per pound, 5 cents above the similar period last season. About 65 percent of the 1969 crop had been marketed, and marketings were 2 percent above last year. Most grade averages are higher and overall quality is better.

This year's crop apparently produced a larger proportion of bright thin tobacco which has a low nicotine content and is desired by cigarette manufacturers. So despite the larger crop, the quantity of tobacco going under Government loan is smaller than last year.

The 1969 season got underway on July 23 with sales in both type 14 and type 13 markets. With the larger crop this year, the final sale could come later than last year's closing.

The overall level of price support for the 1969 crop is 63.8 cents per pound, 3.6 percent above 1968. This year with price support again

Table 13.--Flue-cured tobacco auction markets: Gross sales, average price, sales dates, through Sept. 19, 1969, comparable 1968 period

Type and State	Gross sales		Average price per pound		Sales period	
	1968	1969	1968	1969	Opening date 1969 (1968)	Closing date 1969 (1968)
	- Million pounds -		- - - Cents - - -			
14, Ga.-Fla.	164	156	68.3	73.4	July 23 (July 31)	Aug. 28 (Aug. 29)
13, S.C.-Border N.C.	256	257	67.1	72.8	July 23 (July 31)	(Oct. 10)
12, Eastern N.C.	197	205	67.9	72.8	Aug. 19 (Aug. 26)	(Nov. 8)
11b, Middle Belt, N.C., Va.	45	49	66.5	72.2	Sept. 2 (Sept. 3)	(Nov. 12)
11a, Old Belt, N.C., Va.	42	51	69.2	72.6	Sept. 2 (Sept. 3)	(Dec. 4)
All Belts 1/	704	720	67.7	72.8	July 23 (July 31)	(Dec. 4)

1/ Computed from unrounded data.

available on untied tobacco of all grades for the entire season in types 11-13 markets, virtually all farmers sell their crop in this form. Only a small quantity is sold as tied tobacco.

For all Belts combined, loan receipts through September 19 were 42 million pounds--about 6 percent of marketings; in the comparable period of the 1968 season, 9 percent went under loan. For the entire 1968 season the loan take was 13 percent.

Under the acreage-poundage program, flue-cured growers who comply with their acreage allotments receive price support on marketings up to 110 percent of their farm poundage quotas. Tobacco marketed in excess of 110 percent of a farm's poundage quota is subject to payment of a penalty set by law at 75 percent of the average market price for the immediately preceding marketing year. (The applicable rate of penalty in the 1969 marketing year is 50 cents per pound.)

Any marketing above a farm's poundage quota is deducted from the following year's quota for the farm. Farms having undermarketings in 1969 will have their 1970 quotas increased to enable them to make up for their 1969 undermarketings. For flue-cured as a whole this year, undermarketings will exceed overmarketings.

1968/69 Disappearance Lower

During the year ended last June 30, disappearance of flue-cured tobacco was 1,198 million pounds, 2 percent below the previous year (table 14). Both domestic disappearance and exports declined. The 1968/69 total was also 2 percent below the average for the 1958-67 crop years, although last year's exports were above the 10-year average.

Despite a fractional gain in cigarette output, domestic disappearance declined last year following the downtrend of recent years. Use during 1969/70 is likely to be near the past season's level. But a decline in cigarette output could reduce this year's total a little.

With the winter dock strike slowing shipments, flue-cured exports last season were 2 percent below a year earlier. But other than the past 2 years, they were the largest since 1955/56. Main factors were the U.N. sanctions against tobacco from Rhodesia (formerly the largest exporter of flue-cured tobacco after the United States), the export payment program,

Table 14.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, July 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	1,483	2,056	3,539	1,281	728	553
1956	1,423	2,258	3,681	1,170	705	465
1957	975	2,511	3,486	1,178	737	441
1958	1,081	2,308	3,389	1,179	736	443
1959	1,081	2,210	3,291	1,185	766	419
1960	1,251	2,106	3,357	1,267	792	475
1961	1,258	2,090	3,348	1,267	782	485
1962	1,408	2,081	3,489	1,208	777	431
1963	1,371	2,282	3,653	1,267	769	498
1964	1,388	2,386	3,774	1,219	775	444
1965	1,059	2,555	3,614	1,175	752	423
1966	1,108	2,439	3,547	1,274	687	587
1967	2/1,250	2,273	3,523	1,221	688	533
1968	2/ 996	2,302	3,298	1,198	673	525
1969 3/	1,098	2,100	3,198			

Year	Average price per pound	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1969 5/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	52.7	48.3	298.9	20.2	0
1956	51.5	48.9	319.9	22.5	0
1957	55.4	50.8	107.8	11.1	0
1958	58.2	54.6	144.8	13.4	0
1959	58.3	55.5	55.3	5.1	0
1960	60.4	55.5	51.8	4.1	0
1961	64.3	55.5	70.3	5.6	0
1962	60.1	56.1	237.2	16.8	0
1963	58.0	56.6	277.2	20.2	116.9
1964	58.5	57.2	285.6	20.7	122.9
1965	64.6	57.7	71.5	6.8	36.2
1966	66.9	58.8	74.6	6.8	60.3
1967	64.2	59.9	282.1	22.6	244.9
1968	66.6	61.6	128.8	12.9	125.5
1969		63.8	6/	6/	
Total	---	---	2,405.8	---	706.7

1/ Year beginning July 1.
2/ Sales.
3/ Subject to revision.
4/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
5/ As reported by Flue-cured Tobacco Cooperative Stabilization Corp.; the unstemmed loan stocks on the packed-weight basis average about 11 percent less than their farm-sales weight figures. 6/By September 19, 42 million pounds, 6 percent of deliveries, were placed under loan.

and the high quality of recent crops. Exports this year are expected to continue well above the years before 1966, and may equal 1968/69.

The United Kingdom reduced its takings last season but U.K. buyers may take more of the high quality 1969 crop. West Germany's takings rebounded as manufacturers replenished stocks of U.S. tobacco. Australia's gain in takings from the United States resulted from a shortfall in its crop last year.

The proportion of U.S. flue-cured tobacco exported in stemmed form has risen substantially since 1960 as transportation, storage, and manufacturing procedures are shifting. This is particularly true of the flue-cured going to the United Kingdom.

U.S. flue-cured tobacco exports: Percentage stemmed form of total

(unstemmed equivalent basis)

Year ending June 30	Destination: United Kingdom	Other countries	All countries
	Percent		
1960	11.3	4.2	6.8
1962	17.3	6.3	10.1
1964	46.8	10.6	22.6
1966	89.3	12.6	33.0
1968	94.9	21.0	44.9
1969	95.6	31.0	48.0

1969/70 Supplies Lower

Flue-cured carryover last July 1 totaled 2,100 million pounds. This was 202 million pounds below a year earlier, and 455 million lower than 1965's record high.

Estimated flue-cured tobacco acreage for harvest this year is 9 percent above 1968. This reflects adjustments for the substantial undermarketing in the 1968 season. Overall per acre yields average above last season, but for type 14 are below last year and about the same for type 13. The Georgia-Florida area suffered from heavy rains in mid season. The September 1 forecast for U.S. flue-cured production was 1,098 million pounds--12 percent above 1968.

U.S. flue-cured tobacco exports to principal countries

(export weight)

Country	Year ended June 30: 1967	1968	1969
	Million pounds		
United Kingdom	119	121	97
West Germany	106	67	90
Japan	41	35	31
Netherlands	22	27	21
Thailand	18	18	21
Australia	17	10	15
Belgium	16	14	13
Denmark	14	12	12
Switzerland	8	9	12
Sweden	10	8	7
South Vietnam	13	10	12
All others	98	96	86
Total *	482	427	417

* Based on unrounded data.

The supply--production plus carryover--is about 3 percent below the 3.3 billion pounds in 1968/69 and 15 percent less than the record high for 1964/65. This year's supply is 2.7 times last year's use compared with the desired ratio of 2.4, based on legislative formula. But with a reduced supply this year, and with domestic use and exports about like last season, carryover next July 1 will likely total below the July 1, 1969, level.

By September 1, Government loan stocks of 1963-68 flue-cured tobacco--a component of the carryover and supply estimates above--totaled 707 million pounds. The Flue-cured Tobacco Cooperative Stabilization Corporation--the growers' organization handling Government loans for price support--sold 21 million pounds of old-crop tobacco to the trade in July and August, about half as much as in the same period a year earlier. Stabilization sold 156 million pounds in the year ended last June, about double the previous year's total. This season's sales will probably not gain because manufacturers are replacing their usings from auction purchases.

BURLEY

Burley tobacco (type 31) is desired for its flavor and aroma for cigarette blends; and cigarettes account for nearly 90 percent of domestic consumption of burley. About 10 percent of the crop is exported.

Although domestic use is below the 1964/65 peak, manufacturers have increased the burley proportion in their cigarette blends. Nonetheless, changes in cigarette manufacturing techniques as well as the leveling of cigarette sales are limiting domestic burley use.

Table 15.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	470	1,347	1,817	518	484	34
1956	506	1,299	1,805	510	482	28
1957	488	1,295	1,783	506	478	28
1958	465	1,277	1,742	518	483	35
1959	502	1,224	1,726	535	499	36
1960	485	1,191	1,676	549	508	41
1961	580	1,127	1,707	570	525	45
1962	675	1,137	1,812	584	531	53
1963	755	1,228	1,983	571	514	57
1964	620	1,412	2,032	616	560	56
1965	586	1,416	2,002	607	550	57
1966	587	1,395	1,982	600	544	56
1967	541	1,382	1,923	599	546	53
1968	563	1,324	1,887	*585	*530	*55
1969 2/	566	*1,302	*1,868			

Year	Average price per pound	Price support level 3/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1969 4/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	58.6	46.2	73.1	15.6	0
1956	63.6	48.1	6.0	1.2	0
1957	60.3	51.7	16.6	3.4	0
1958	66.1	55.4	11.2	2.4	0
1959	60.6	57.2	13.2	2.6	0
1960	64.3	57.2	8.4	1.7	0
1961	66.5	57.2	10.3	1.8	0
1962	58.6	57.8	63.5	9.4	7.6
1963	59.2	58.3	202.3	26.8	71.4
1964	60.3	58.9	110.4	17.8	61.2
1965	67.0	59.5	42.2	7.2	37.0
1966	66.9	60.6	62.5	10.6	53.5
1967	71.8	61.8	64.2	11.9	62.0
1968	73.7	63.5	56.2	10.0	56.2
1969		65.8			
Total	---	---	740.1	---	5/348.9

1/ Year beginning October 1.
2/ Subject to revision.
3/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.
4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.
5/ About 9 million pounds of these holdings have been sold.
* Preliminary estimates.

Growing popularity of American-type blended cigarettes abroad has increased world demand for burley. However, most of this market is supplied by foreign producers often at prices that are less than half the U.S. levels. Japan, Italy, South Korea, Mexico, and Greece are among the countries that have increased exports. These areas plus Malawi, Zambia, and Bulgaria are planning further increases.

1968/69 Disappearance Smaller

Domestic use of burley tobacco for the year now ending probably will total about 3 percent below the 546 million pounds used in 1967/68 (table 15). Exports are equaling the 53 million pounds of last year. Based on these prospects total disappearance would be some 2 percent below the 599 million pounds in 1967/68, leaving a carryover on October 1, 1969, about 1 1/2 percent below the 1,324 million pounds of a year earlier.

Based on July 1 stocks, disappearance for the first 9 months of the marketing year was 425 million pounds, 17 million smaller than in the same period of a year earlier. The decline was in domestic use; exports were larger. Domestic use totaled 387 million pounds, 21 million pounds below 1967/68 and 8 million pounds below 1962-66 average for the period. The indicated disappearance of burley would imply domestic manufacturers are not maintaining their use in line with cigarette output. Among the secondary outlets for burley, production of smoking tobacco and plug chewing tobacco are declining.

For the first 10 months this marketing year, burley exports totaled 45 million pounds, one-fourth above those of a year earlier. Exports to West Germany, the leading destination, were sharply above the low level a year earlier.

Larger exports than a year ago were made to the Netherlands, Belgium, Switzerland, Thailand, and the Philippines. Among the other leading U.S. export destinations, Portugal, Sweden, Denmark, and Hong Kong have been taking less. Foreign burley production did not gain last year for the first time in several years, but the record-high U.S. auction prices for the 1968 burley will make it harder for U.S. burley to compete in 1969/70. Greece has significantly increased exports especially to the EEC where Greek supplies enter duty-free. The Greek price is well below ours and their quality is reportedly improving.

1969/70 Supplies Slightly Smaller; Loan Holdings Up

The September estimate of the 1969 burley crop is 566 million pounds--fractionally above 1968. Acreage for harvest and average yield per acre are about the same as last year.

The 1969/70 total burley supply (indicated carryover plus the new crop) is about 1 percent below the 1,887 million pounds in 1968/69 and 5 percent below 3 years earlier. The prospective supply equals about 3.2 times probable disappearance or about the same ratio as in 1968/69 but down from the peak of 3 1/2 in 1963/64. The desirable ratio (based on legislative formula) is 2.8.

By August 31, 1969, Government loan stocks were 349 million pounds, compared with 326 million a year earlier. This increase was due to smaller sales from CCC loan stocks. Loan placements from the 1968 crop were a little below those in 1967.

Auction sales usually begin in late November. The 1968 crop sold for a record average of 73.7 cents per pound, with 10 percent of the crop placed under loan. The price support level for 1969 burley is 65.8 cents per pound, about 4 percent above 1968.

MARYLAND

The chief outlet for Maryland tobacco (type 32) is in the manufacture of cigarettes. Some is also used as cigar filler depending upon availability and prices of certain grades. About one-third of the crop is exported. Disappearance since 1950 has varied irregularly between 31 million and 40 million pounds annually but for the marketing year now ending may reach a new high.

1968/69 Use Gains

Total disappearance of Maryland tobacco during the first 9 months of the marketing year that began October 1, 1968, was 29 million pounds--about 7 million above a year earlier. Exports were down in 1968/69, but domestic use was up considerably. U.S. manufacturers are apparently using more Maryland tobacco in cigarette blends. Disappearance is expected to total about 7 million pounds above the 36 million pounds of the previous year. (table 16).

Table 16.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average prices, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks following Jan. 1 1/	Supply	Disappearance 2/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	31.5	77.5	109.0	38.6	25.7	12.9
1956	36.5	69.7	106.2	34.9	21.4	13.5
1957	38.5	69.4	107.9	37.0	25.0	12.0
1958	31.1	70.9	102.0	39.4	24.1	15.3
1959	31.2	64.2	95.4	32.3	20.4	11.9
1960	34.7	61.7	96.4	35.6	23.6	12.0
1961	38.8	60.6	99.4	32.6	20.7	11.9
1962	40.6	67.3	107.9	30.7	19.5	11.2
1963	34.5	76.6	111.1	31.0	18.5	12.5
1964	42.3	82.0	124.3	32.9	23.3	9.6
1965	38.5	90.1	128.6	35.7	24.7	11.0
1966	36.0	89.7	125.7	40.2	23.7	16.5
1967	32.4	86.3	118.7	36.0	20.3	15.7
1968	**31.1	81.5	112.6	*43.0	*30.0	*13.0
1969 3/	31.9	*70.0	*101.9			

	Average price per pound	Price support level 4/	Placed under Government loan		Remaining in Government loan stocks on August 31, 1969 5/
			Quantity	Percentage of crop	
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.
1955	50.8	No price support	6/		
1956	51.7	47.0	3.3	9.0	0
1957	44.9	48.0	5.9	15.3	0
1958	62.5	50.8	1.1	3.6	0
1959	61.6	No price support	6/		
1960	63.8	50.8	1.6	4.6	0
1961	62.0	50.8	3.7	9.5	0
1962	55.8	51.3	6.0	14.8	0
1963	43.2	51.8	10.4	30.1	0
1964	62.0	52.3	4.2	10.1	0
1965	65.5	52.8	2.7	7.0	0
1966	48.6	No price support	6/		0
1967	62.4	No price support	6/		0
1968	7/69.8	No price support	6/		0
1969		No price support	6/		0
Total	---	---	38.9	---	0

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since over one-third of growers voting disapproved. 7/Auction market average. *Preliminary estimates. **Sales.

Exports of Maryland tobacco for the marketing year just ending may be 3 million below the 15.7 million pounds in 1967/68 and 1 million below the average for the preceding 5 years. In the first 10 months of the marketing year, exports were 19 percent belowt the same period a year earlier. Prices for the 1968 crop averaged 12 percent higher than for the 1967 crop. Exports to Switzerland, the principal outlet, were down 42 percent. Belgium and Spain also cut their takings but shipments to West Germany and Portugal increased.

1969/70 Supplies Lower

By next January 1--the date specified for marketing quota calculations--carryover probably will fall further from this year's 82 million pounds because disappearance is exceeding the 1968 production. The September estimate of the 1969 Maryland crop is 32 million pounds, about 2 percent above 1968 sales. For the fourth year, acreage allotments are not in effect, since growers disapproved a marketing quota for the 1969 crop. With the reduced carryover, 1969/70 supply will be 10 percent less than in 1968/69.

Auction sales of the 1968 Maryland tobacco crop began April 7 and ended June 27, with a record average price to growers. Overall quality of offerings was higher than last year, and prices for most grades advanced.

FIRE-CURED

Fire-cured tobacco is used mainly for making snuff, and secondly for roll and plug chewing tobacco, cigars, and smoking tobacco. Since production of most of these products has declined, the use of fire-cured tobacco has also fallen. Exports--accounting for about half of the total disappearance--have held up better over the past decade than domestic use because of steadier demand overseas for products using fire-cured tobacco and its unavailability from other suppliers.

1968/69 Disappearance Declines

Disappearance of fire-cured tobacco (types 21-23) during the first 9 months of the marketing year that began October 1, 1968, was 36-1/2 million pounds, about 1 million below a year earlier. Exports were down substantially but domestic use gained. In addition, a fire loss of 5 million pounds in type 22 in April 1969 is further reducing the carryover. In October 1968-June 1969, snuff output was 3 percent less than a year earlier.

For the year ending this September disappearance is down about 5 percent from last season's 52 million pounds. This still means about 9 million pounds more have been used than were produced last year. Carryover stocks this October 1 are probably about 12 percent below the 90 million pounds of last year (table 17).

Based on the indications through June domestic use of Virginia fire-cured tobacco in the 1968/69 year is totaling a little below the previous year's level but domestic use of the much larger-volume Kentucky-Tennessee types may gain about 2 million pounds (excluding fire loss).

Exports of fire-cured tobacco in the season now ending may total a fourth below 1967/68. The decline is occurring in both the Virginia and Kentucky-Tennessee types. Exports of 14.3 million pounds of Kentucky-Tennessee types during October 1968-July 1969 were 23 percent below a year earlier. The Netherlands--first ranking outlet--cut takings 40 percent. Tax changes have reduced the overall level of Dutch imports in 1969. But 2 other leading outlets, France and Belgium, have taken more types 22-23 tobacco.

Virginia fire-cured exports in October 1968-July 1969 of 3.4 million pounds were sharply below the 4.9 million a year earlier. Exports to Norway, the leading destination, were cut in half due to inventory adjustments. Other decreases were recorded for Sweden, United Kingdom, and West Germany.

1969/70 Supplies Lower

The September estimate of fire-cured production was 40.1 million pounds, 4 percent larger than last year. This would still be about 4 million pounds below the estimated use during the current marketing year (excluding fire loss). Acreage for harvest is larger. Average yield per acre is indicated to be about the same as last year.

Combined supplies of the fire-cured types for 1969/70--estimated carryover and production--are 7 percent below the 130 million pounds of a year earlier and 16 percent below 2 years earlier. Carryover a year hence will show a

Table 17.--Fire-cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-69

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks, October 1: Manufacturers and other	Beginning stocks, October 1: Under loan	Beginning stocks, October 1: Total	Total supply
	Thous. acres	Pounds	Million pounds				
	Kentucky-Tennessee fire-cured, types 22-23						
1965	23.2	1,574	36.6	72.5	32.3	104.8	141.4
1966	21.0	1,919	40.2	69.9	25.9	95.8	136.0
1967	17.3	1,702	29.5	64.0	27.3	91.3	120.8
1968	17.9	1,822	32.6	57.3	21.5	78.8	111.4
1969 1/	18.4	1,805	33.2			69.4	102.6
	Virginia fire-cured, type 21						
1965	7.6	1,260	9.6	12.3	3.3	15.6	25.2
1966	6.0	1,255	7.5	13.4	3.5	16.9	24.4
1967	5.4	1,290	7.0	12.1	2.7	14.8	21.8
1968	4.9	1,205	5.9	8.9	2.8	11.7	17.6
1969 1/	5.3	1,300	6.9			10.1	17.0

	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop
	Million pounds			Cents		Mil. lb.	Pct.
	Kentucky-Tennessee fire-cured, types 22-23						
1965	45.6	18.0	27.6	43.6	40.4	2.3	6.3
1966	44.7	21.0	23.7	42.2	41.1	6.3	15.7
1967	42.0	14.9	27.1	46.2	41.9	.8	2.7
1968	*42.0	*2/22.0	*20.0	51.1	43.1	.4	1.2
1969					44.6		
	Virginia fire-cured, type 21						
1965	8.3	3.0	5.3	39.9	40.4	1.0	10.4
1966	9.6	2.3	7.3	41.2	41.1	.6	8.0
1967	10.1	3.4	6.7	40.9	41.9	.7	10.0
1968	*7.5	*3.0	*4.5	46.9	43.1	.2	3.4
1969					44.6		

1/ Based on September 1 crop prospects and estimated utilization. 2/ Includes 5.1 million pounds fire loss, April 1969.

* Preliminary estimates.

further decline from the current level. By August 31, stocks under loan were substantially under a year earlier.

The average support level for 1969 fire-cured is 44.6 cents per pound, an increase of 4 percent over 1968 levels. Last season's average price was a record 50.5 cents--12 percent above the preceding year.

In Malawi, the chief fire-cured exporter besides the United States, 1969 sales at 9.6 million pounds were down about a fourth from 1968. Auction prices this season averaged 30 cents per pound, substantially above last year. Malawi has a new program of limiting production and improving quality.

DARK AIR-CURED

Dark air-cured tobacco (types 35-37) is mainly used in manufacture of plug, twist, fine-cut chewing tobacco, and snuff, and also to some extent for smoking tobacco and cigars. Production and use have declined about half in the past 2 decades. The decline has been proportionately greater for exports than domestic use. Exports now account for about one-fifth of annual disappearance. In most recent years, over half of the dark air-cured exports have been in the form of Black Fat, a semiprocessed product intended especially for sale abroad.

1968/69 Domestic Use Steadies

Disappearance of dark air-cured tobacco during the first 9 months of the current marketing year was 14 1/2 million pounds, about 1/2 million pounds below a year earlier. Exports declined while domestic use steadied.

For the year ending September 30, 1969, total disappearnace is expected to be 3 percent below the 19 1/2 million pounds of last year. This would mean a carryover about the same as the 62 million pounds last October 1 (table 18).

Domestic use of dark air-cured probably was about unchanged from a year earlier. In October 1968-June 1969, the manufacture of plug, twist, and fine-cut chewng tobacco was slightly less.

Exports of dark air- and sun-cured tobacco in 1968/69 probably totaled a little below the 3.4 million pounds of a year earlier. This includes an allowance for Black Fat.

Fire-cured and dark air-cured tobacco loan stocks, August 31, 1967-69

Type	End of August		
	1967	1968	1969
	Million pounds		
Virginia, type 21	2.5	2.8	2.0
Ky.-Tenn., types 22-23	31.0	24.1	12.8
Ky.-Tenn., types 35-36	22.0	18.1	15.6
Virginia, type 37	0	0	0

Exports of Black Fat were 1.0 million pounds in October 1968-July 1969, 1.4 million below a year earlier. Exports to major destinations in Africa dropped sharply. Exports of One Sucker leaf were above a year earlier primarily because South Vietnam took 0.5 million pounds versus none in the like period of 1967/68. Belgium, which took 1/4 million pounds last season, cut its takings sharply. Exports of Green River leaf in October 1968-July 1969 held near a year earlier even though the United Kingdom and Australia, the leading destinations, cut takings slightly.

1969/70 Supplies Continue Large

The September estimate of this year's crop is 19.4 million pounds--about the same as last year and 2-1/2 million above 1967's record low. Acreage for harvest of dark air-cured (types 35-36) is estimated to be a little higher than last year's level; average yield per acre is indicated to be down slightly after last year's gain. The 1969 type 37 acreage is the same as last year, and the indicated yield may be up moderately.

With little change in 1969 crops and carryovers, total 1969/70 supplies are estimated about the same as last year's 81-1/2 million pounds--about 4 times annual use.

The average support level for the 1969 dark air-cured crop is 39.7 cents per pound, 4 percent above 1968. Last season the crop averaged a record-high 47.8 cents per pound--16 percent above 1967. Sales volume was larger and most grade prices were higher and quality improved.

Table 18.--Dark air-cured tobacco, types 35-36, and Sun-cured tobacco type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-69

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks: Manufacturers and other	Beginning stocks: Under loan	Beginning stocks: Total	Total supply
	Thous. acres	Pounds	Million pounds				
	Dark air-cured, types 35-36						
1965	11.3	1,639	18.5	40.6	21.3	61.9	80.4
1966	10.7	1,987	21.3	41.0	19.6	60.6	81.9
1967	9.5	1,629	15.5	39.2	21.3	60.5	76.0
1968	9.8	1,831	18.0	41.1	17.1	58.2	76.2
1969 1/	10.1	1,797	18.2			58.7	76.9
	Sun-cured, type 37						
1965	1.8	1,105	2.0	4.3	0	4.3	6.3
1966	1.4	1,065	1.5	4.3	0	4.3	5.8
1967	1.2	1,090	1.3	4.2	0	4.2	5.5
1968	1.1	1,095	1.2	3.9	0	3.9	5.1
1969 1/	1.1	1,150	1.3			3.8	5.1

	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop
	Million pounds			Cents		Mil. lb.	Pct.
	Dark air-cured, types 35-36						
1965	19.8	16.2	3.6	37.0	35.9	3.2	17.3
1966	21.4	17.0	4.4	37.3	36.6	4.7	22.1
1967	17.8	14.8	3.0	40.8	37.3	1.4	9.0
1968	*17.5	*15.0	*2.5	47.4	38.3	.7	3.9
1969					39.7		
	Sun-cured, type 37						
1965	2.0	1.7	.3	39.2	35.9	7.5	3.8
1966	1.6	1.2	.4	42.3	36.6	2.6	1.7
1967	1.6	1.2	.4	45.2	37.3	2.5	1.9
1968	*1.3	*1.0	*.3	53.2	38.3	.1	.1
1969					39.7		

1/ Based on September 1 crop prospects and estimated utilization.

* Preliminary estimates.

Loan receipts of 0.8 million pounds last season--4 percent of sales--were sharply below the 1967 season and the lowest since 1958. Mid-1969 loan holdings were the least since 1962.

CIGAR TOBACCO

Cigar leaf tobaccos (types 41-62) are classified according to usage in cigar manufacture--filler, binder, and wrapper. A secondary outlet is in scrap chewing tobacco. In the past several years reconstituted tobacco sheet has replaced natural leaf in both cigars and cigarettes. In addition the trend toward slimmer cigars is reducing leaf requirements.

U.S. and Puerto Rico cigar leaf production has been declining since the early 1960's while imports of filler leaf and scrap have risen. Last year use of imported filler exceeded use of domestic filler for the first time on record. The Philippines ranks first among foreign suppliers. About 110 million pounds of domestic leaf are used annually while about 75 million pounds are imported.

Cigar Filler Supply and Disappearance Lower

For the first 9 months of the 1968/69 marketing year, total disappearance of U.S. cigar filler tobacco (types 41-46) was 46 1/2 million pounds, down 2 million from a year earlier. The decline was in Puerto Rican filler; Pennsylvania and Ohio types were about the same. In the same period cigar tobacco imports gained.

During October 1968-July 1969, filler exports--a relatively small part of total disappearance--were 0.8 million pounds, 0.2 million above a year earlier. Canada and France accounted for most of the shipments.

The 1968/69 filler disappearance may be slightly below the 65 million pounds of a year earlier. Disappearance of Pennsylvania and Ohio types will likely be about the same as 1967/68 and Puerto Rican lower (table 19).

Imports Supplementing Lower U.S. Supplies

During October 1968-June 1969, U.S. manufacturers used 59 million pounds of foreign cigar tobacco (imports for consumption), or 5 million more than a year earlier. This increase is supplementing reduced U.S. supplies. Increased imports from the Philippines, a major supplier, account for the gain. With domestic supplies declining further in 1969/70, manufacturers may draw even more heavily on foreign leaf.

Foreign grown cigar leaf stocks in the United States on July 1 totaled 93 million pounds, down 5 million from a year earlier. Philippine tobacco gained in this period, but Dominican Republic tobacco declined.

Cigar tobacco imports for consumption, October-June, 1966/67, 1967/68, 1968/69

Country of origin	October-June 1966-1967	1967-1968	1968-1969
	Million pounds		
Philippines	18.2	20.9	26.8
Dominican Republic	5.2	8.0	7.8
Brazil	4.6	6.0	5.3
Colombia	4.1	5.7	4.9
All others	11.8	13.6	14.6
Total	43.9	54.2	59.4

Cigar Binder Disappearance Gains

Cigar binder disappearance for October 1968-June 1969 was 24 million pounds, about 5 million above a year earlier. For Connecticut Valley binder (types 51-52), domestic use and exports fell while Wisconsin binder (types 54-55) gained. The major outlet for Wisconsin tobacco is scrap chewing tobacco. Production of scrap chewing tobacco gained in the past year.

The 1968/69 disappearance of Connecticut Valley binder tobacco is estimated about 2 million pounds below the 8 million pounds of the previous season. Both exports and domestic use are declining. Carryover for October 1, 1969, is expected to drop to a new low--some 3 million pounds under the 11 million of a year earlier.

During the first 10 months of the current marketing year, exports of Connecticut Valley binder were 0.3 million pounds compared with 2.1 million a year earlier. Spain, which accounted for two-thirds of the exports last year,

Foreign-grown cigar leaf stocks, July 1, 1967-69

Country of origin	July1 -- 1967	1968	1969
	-------- Million pounds ------		
Philippines	31.3	36.9	41.9
Dominican Republic	11.5	19.4	12.3
Colombia	13.9	11.4	10.2
Brazil	12.5	10.2	9.0
Paraguay	2.0	1.9	4.2
Indonesia	5.0	3.7	3.3
Cuba	4.2	2.5	1.1
Other	11.3	11.8	10.8
Total*	91.7	97.9	92.8

* Based on unrounded data.

has not taken any so far this year. Exports to West Germany and Canary Islands are down considerably.

The 1968/69 disappearance of Wisconsin tobacco will gain some 4 million pounds above the 17 million pounds in 1967/68. This would leave stocks at a record low--some 7 million pounds below the 49 million pounds of October 1, 1968.

During the first 10 months of the current marketing year, exports of Wisconsin tobacco were 349,000 pounds compared with 220,000 a year earlier. Sizable shipments went to Spain and the Canary Islands in contrast to none in 1967/68. Less was shipped to the Netherlands; none went to Canada or West Germany so far this year.

Cigar Wrapper Disappearance Steadies

Disappearance of shade-grown cigar wrapper (types 61-62) in the year ended June 30 was 19.6 million pounds, about the same as a year earlier. Domestic use was higher but exports were down. The 1968 crop was a little larger than the previous year and prices averaged 4 percent higher. Carryover stocks last July 1 were 1 1/2 million below a year earlier. In comparing the 2 wrapper types, Georgia-Florida wrapper disappearance gained while Connecticut Valley wrapper declined. The 1968 crop prices averaged one-third higher in the Connecticut Valley than in Georgia-Florida.

For both Connecticut Valley and Georgia-Florida cigar wrapper, the 4 leading destinations each decreased their takings in 1968/69. West Germany, the leading destination, accounted for most of the decline, but Canada, United Kingdom, and Canary Islands also took less. Destinations that increased takings of Georgia-Florida wrapper were Belgium, Switzerland, and South Vietnam.

U.S. and Puerto Rican Supplies to Decline

Supplies of U.S. and Puerto Rican cigar tobacco will decline from 1968/69, continuing the postwar trend. October 1, 1969, carryover is down and prospective production is lower. Cigar filler and binder supplies are down substantially, and wrapper supplies are also lower.

September 1968-August 1969 sales from Government loan stocks were higher than a earlier, but loan receipts were also higher. By August 31, Government loan stocks of cigar tobacco were below last year's total.

Filler: Pennsylvania filler acreage is down an estimated 5 percent from 1968. As of September 1, the crop was indicated at 38.0 million pounds--about the same as in 1968, which was the smallest crop since the 1930's. The new crop plus the reduced carryover will provide a supply about 3 percent below the 146 million pounds of the past season and the least in 12 years.

Ohio filler acreage is estimated to be the lowest on record, some 7 percent below 1968. Yields may also be lower. As of September 1, the crop was expected to be about 3.2 million pounds, or about 14 percent below last year. The crop, plus the lower carryover, will provide a total supply for 1969/70 about 3 million pounds below last year and the smallest on record.

Cigar tobacco loan stocks, August 31, 1967-69

Type	August 31 -- 1967	1968	1969
	-------- Million pounds ------		
Ohio (42-44)	.2	.4	0.1
Puerto Rican (46)	1.7	1.7	1.2
Conn. Valley (51)	1.2	.5	.4
Conn. Valley (52)	1.8	.9	.9
Southern Wis. (54)	.7	.2	.1
Northern Wis. (55)	6.3	5.2	3.6
Total	11.9	8.9	6.3

Table 19.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1965-69

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply: Production	Supply: Beginning stocks 1/	Supply: Total supply	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound to growers
	Thousand acres	Pounds	Million pounds						Cents
Pennsylvania Seedleaf Filler (type 41)									
1965	27.0	1,900	51.3	129.4	180.7	53.0	51.2	1.8	24.0
1966	23.0	1,675	38.5	127.7	166.2	53.9	52.4	1.5	25.0
1967	21.0	1,825	38.3	112.3	150.6	41.9	41.3	.6	28.0
1968	21.0	1,800	37.8	108.7	146.5	*43.0	*42.0	*1.0	30.0
1969 2/	20.0	1,900	38.0	*103.5	141.5				
Ohio, Miami Valley Filler (types 42-44)									
1965	3.7	1,465	5.4	17.0	22.4	6.2	6.2	---	26.2
1966	3.2	1,885	6.0	16.2	22.2	6.7	6.7	---	28.0
1967	2.3	1,580	3.6	15.5	19.1	6.2	6.2	---	29.0
1968	2.0	1,800	3.7	12.9	16.6	*6.0	*6.0	---	31.0
1969 2/	1.9	1,700	3.2	*10.6	*13.8				
Puerto Rico Filler (type 46)									
1965	17.0	951	16.2	62.6	78.8	27.0	27.0	---	4/32.1
1966	9.0	1,338	12.0	51.8	63.8	23.3	23.3	---	4/31.3
1967	7.6	1,419	10.8	40.5	51.3	16.9	16.9	---	4/33.1
1968 2/	6.2	1,277	7.9	34.4	42.3	*15.4	*15.4	---	4/33.6
1969 2/	3/5.7	3/1,400	3/8.0	*26.9	*34.9				
Total Cigar Filler (types 41-46)									
1965	47.7	1,528	72.9	209.0	281.9	86.2	84.4	1.8	26.0
1966	35.2	1,608	56.5	195.7	252.2	83.9	82.4	1.5	26.7
1967	30.9	1,707	52.7	168.3	221.0	65.0	64.4	.6	29.1
1968	29.2	1,689	49.4	156.0	205.4	*64.4	*63.4	*1.0	30.6
1969 2/	27.6	1,783	49.2	*141.0	*190.2				
Connecticut Valley Binder (types 51-52)									
1965	2.6	1,910	5.0	21.3	26.3	7.0	4.9	2.1	45.9
1966	1.8	2,111	3.8	19.3	23.1	6.8	5.2	1.6	51.2
1967	1.5	1,819	2.7	16.3	19.0	7.8	5.6	2.2	54.5
1968	1.6	1,846	2.9	11.2	14.1	*6.0	*5.0	*1.0	59.5
1969 2/	1.7	1,805	3.0	* 8.1	*11.1				
Southern Wisconsin Binder (type 54)									
1965	4.7	1,805	8.5	22.7	31.2	8.8	8.8	---	29.7
1966	3.9	1,895	7.4	22.4	29.8	9.1	9.1	---	34.3
1967	3.8	1,905	7.2	20.7	27.9	8.0	8.0	---	34.4
1968	3.7	1,990	7.4	19.9	27.3	*7.5	*7.5	---	36.8
1969 2/	3.7	1,900	7.0	*19.8	*26.8				
Northern Wisconsin Binder (type 55)									
1965	6.2	1,735	10.8	26.8	37.6	9.4	9.1	.3	28.9
1966	5.4	1,635	8.8	28.2	37.0	7.7	7.4	.3	32.4
1967	4.5	1,975	8.9	29.3	38.2	9.3	8.9	.4	34.1
1968	4.0	1,670	6.7	28.9	35.6	*13.5	*13.0	*.5	37.9
1969 2/	3.4	1,750	6.0	*22.1	*28.1				

See footnotes at end of table.

Table 19.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1965-69--Cont.

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply: Production	Supply: Beginning stocks 1/	Supply: Total supply	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound to growers
	Thousand acres	Pounds	Million pounds						Cents
	Total Wisconsin Binder (types 54-55)								
1965	10.9	1,765	19.3	49.5	68.8	18.2	17.9	.3	29.3
1966	9.3	1,744	16.2	50.6	66.8	16.8	16.5	.3	33.3
1967	8.3	1,943	16.1	50.0	66.1	17.3	16.9	.4	34.2
1968	7.7	1,824	14.1	48.8	62.9	*21.0	*20.5	*.5	37.3
1969 2/	7.1	1,828	13.0	*41.9	*54.9				
	Total Cigar Binder (types 51-55)								
1965	13.5	1,793	24.2	70.8	95.0	25.1	22.6	2.5	32.7
1966	11.1	1,804	20.1	69.9	90.0	23.7	21.8	1.9	36.7
1967	9.8	1,924	18.8	66.3	85.1	25.1	22.5	2.6	37.1
1968	9.3	1,828	17.0	60.0	77.0	*27.0	*25.5	*1.5	41.1
1969 2/	8.8	1,824	16.0	*50.0	*66.0				
	Connecticut Valley Shade-grown (type 61)								
1965	9.3	1,567	14.6	14.3	28.9	12.6	9.3	3.3	250.0
1966	8.8	1,555	13.7	16.3	30.0	14.0	10.5	3.5	295.0
1967	8.5	1,124	9.6	16.0	25.6	12.9	9.6	3.3	360.0
1968	8.4	1,215	10.2	12.7	22.9	10.8	9.1	1.7	360.0
1969 2/	6.3	1,450	9.1	12.1	21.2				
	Georgia-Florida Shade-grown (type 62)								
1965	6.3	1,321	8.3	7.3	15.6	7.4	5.6	1.8	225.0
1966	5.8	1,265	7.3	8.2	15.5	6.8	6.1	.7	185.0
1967	5.1	1,573	8.0	8.7	16.7	6.6	5.0	1.6	245.0
1968	5.0	1,556	7.9	10.1	18.0	8.8	6.7	2.1	270.0
1969 2/	5.0	1,550	7.7	9.2	16.9				
	Total Shade-grown (types 61-62)								
1965	15.6	1,468	22.9	21.6	44.5	20.0	14.9	5.1	241.0
1966	14.6	1,440	21.0	24.5	45.5	20.8	16.6	4.2	257.0
1967	13.6	1,292	17.6	24.7	42.3	19.5	14.6	4.9	308.0
1968	13.4	1,343	18.1	22.8	40.9	19.6	15.8	3.8	320.9
1969 2/	11.3	1,494	16.8	21.3	38.1				
	Grand Total Cigar Tobacco (types 41-62)								
1965	76.8	1,562	120.1	301.4	421.5	131.4	122.1	9.3	68.3
1966	60.9	1,603	97.5	290.1	387.6	128.3	120.7	7.6	78.4
1967	54.3	1,642	89.1	259.3	348.4	109.6	101.5	8.1	85.7
1968	51.9	1,616	84.5	238.8	323.3	*111.0	*104.7	*6.3	94.9
1969 2/	47.7	1,722	82.0	*212.3	*294.3				

1/ October 1 for types 41-55; July 1 for types 61-62.

2/ Subject to revision.

3/ Puerto Rican planting occurs late in calendar year; projected for 1969.

4/ Excludes payment by Puerto Rican Government.

* Preliminary estimates.

The carryover of Puerto Rican filler on October 1 is estimated about 7-1/2 million pounds below a year earlier and probably a new low. Puerto Rico filler is planted late in the year and harvested in the early months of the following year. The Puerto Rican Government has announced a quota of 22-1/2 million pounds--about 3 times the extremely small harvest early this year. Acreage has been declining since 1964, so production has been considerably below the announced quota for the past several seasons. But despite the large quotas the 1970 harvest could approximate the previous year's since rainy weather cut this year's yields sharply. The 1969/70 supply seems likely to fall some 7-1/2 million pounds to another record low.

Binder: Cigar binder acreage in the Connecticut Valley is estimated about 6 percent larger than last year. This year's acreage allotment was increased 50 percent. As of September 1, production was indicated at 3 million pounds, slightly above last year. But carryovers of both Broadleaf and Havana Seed are probably at new lows. For both types, supplies will be lowest on record, totaling some 3 million pounds below 1968/69.

Acreage of Southern Wisconsin binder is estimated about the same as last year while Northern Wisconsin binder is down. As of September 1, Wisconsin production is indicated at 13 million pounds, off 8 percent from last year and the lowest since 1934. Most of the decline is in type 55. Carryover is estimated about 7 million pounds below a year ago. So supply of both types may be down some 8 million in total from 1968/69.

Wrapper: Indicated acreage of Connecticut Valley wrapper this year is 25 percent below 1968. The labor force has declined and production costs are up. As of September 1, production was indicated at 9 million pounds--1 million below last year's level. Carryover on July 1 at 12 million pounds was the lowest since 1957. The supply of Connecticut Valley wrapper, at 21 million pounds is about 2 million below 1968/69 and the smallest since 1956.

Acreage of Georgia-Florida wrapper is estimated to be down 2 percent to a 14-year low. As of September 1, production was an indicated 7.7 million pounds, about 3 percent below last year. Carryover on July 1, at 9.2 million pounds, was down 1 million from a year earlier. The supply, at 17 million pounds, is about 1 million below 1968/69 and about the average of the past 5 years.

TOBACCO USED FOR CIGARETTES

Cigarette manufacturers used an estimated 1,203 million pounds of tobacco (unstemmed processing weight) in cigarettes in 1968. This was 1 percent more than the year before. Imported tobacco use--both leaf and scrap--gained while domestic tobacco use declined fractionally (table 20). Use of both domestic and imported tobacco in 1969 will probably be under the 1968 level due to lower cigarette output.

Flue-cured tobacco accounts for about half the tobacco used in cigarettes, with burley, Maryland, and imported tobaccos accounting for the rest. Since the early 1950's the proportions of burley and imported tobacco have increased while flue-cured and Maryland have declined.

Manufacturers used an estimated 2,076 pounds of tobacco (unstemmed weight) per 1,000 cigarettes produced in 1968, fractionally more than a year earlier. However, since the mid-1950's the quantity has declined almost steadily (table 21). Changes in dimension and composition of cigarettes account for the downtrend.

Major factors are: (1) the shift to filter tips; (2) lengthened cigarette filters; (3) increased use of sheet tobacco; and (4) reduction in cigarette circumferences. Most filter brands, until the introduction of 100 millimeter lengths, had a shorter tobacco column than most nonfilter brands. Slimmer cigarettes and long filters are other marketing developments. Use of processed stems (midribs of leaves) and reconstituted tobacco sheet made from stems and small fragments of leaf are technological developments that extend the filling quantity of a given amount of leaf.

Table 20.--Estimated leaf used for cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:									
1925-29	154	125	9	288	137	111	9	42	299
1930-34	192	126	10	328	170	111	9	36	326
1935-39	269	166	18	453	238	147	17	43	445
1940-44	468	248	23	739	413	220	22	45	700
1945-49	650	378	24	1,052	575	335	23	56	989
1950	698	405	24	1,127	618	358	22	64	1,062
1951	737	416	22	1,175	652	368	20	72	1,112
1952	775	435	25	1,235	686	385	23	76	1,170
1953	763	437	24	1,224	675	387	23	77	1,162
1954	707	411	22	1,140	625	364	21	77	1,087
1955	702	413	22	1,137	621	366	21	80	1,088
1956	688	418	23	1,129	610	371	21	85	1,087
1957	688	414	20	1,122	610	368	18	88	1,084
1958	712	420	18	1,150	634	374	17	100	1,125
1959	714	423	17	1,154	635	376	16	109	1,136
1960	731	437	16	1,184	651	389	16	116	1,172
1961	758	453	16	1,227	674	403	16	125	1,218
1962	745	462	16	1,223	663	411	16	126	1,216
1963	752	467	16	1,235	670	416	16	127	1,229
1964	725	455	15	1,195	645	405	15	121	1,186
1965	723	485	17	1,225	643	433	17	132	1,225
1966	686	487	19	1,192	613	435	19	135	1,202
1967	658	483	19	1,160	587	432	19	154	1,192
1968	652	484	18	1,154	582	432	18	171	1,203
	Percentage Distribution								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average:									
1925-29	53.5	43.4	3.1	100.0	45.8	37.1	3.0	14.1	100.0
1930-34	58.5	38.4	3.1	100.0	52.1	34.1	2.8	11.0	100.0
1935-39	59.4	36.6	4.0	100.0	53.5	33.0	3.8	9.7	100.0
1940-44	63.3	33.6	3.1	100.0	59.0	31.4	3.2	6.4	100.0
1945-49	61.8	35.9	2.3	100.0	58.1	33.9	2.3	5.7	100.0
1950	61.9	36.0	2.1	100.0	58.2	33.7	2.1	6.0	100.0
1951	62.7	35.4	1.9	100.0	58.6	33.1	1.8	6.5	100.0
1952	62.8	35.2	2.0	100.0	58.6	32.9	2.0	6.5	100.0
1953	62.3	35.7	2.0	100.0	58.1	33.3	2.0	6.6	100.0
1954	62.0	36.1	1.9	100.0	57.5	33.5	1.9	7.1	100.0
1955	61.8	36.3	1.9	100.0	57.1	33.6	1.9	7.4	100.0
1956	60.9	37.0	2.1	100.0	56.1	34.2	1.9	7.8	100.0
1957	61.3	36.9	1.8	100.0	56.3	33.9	1.7	8.1	100.0
1958	61.9	36.5	1.6	100.0	56.4	33.2	1.5	8.9	100.0
1959	61.9	36.6	1.5	100.0	55.9	33.1	1.4	9.6	100.0
1960	61.7	36.9	1.4	100.0	55.5	33.2	1.4	9.9	100.0
1961	61.8	36.9	1.3	100.0	55.3	33.1	1.3	10.3	100.0
1962	60.9	37.8	1.3	100.0	54.5	33.8	1.3	10.4	100.0
1963	60.9	37.8	1.3	100.0	54.5	33.9	1.3	10.3	100.0
1964	60.7	38.0	1.3	100.0	54.4	34.1	1.3	10.2	100.0
1965	59.0	39.6	1.4	100.0	52.5	35.3	1.4	10.8	100.0
1966	57.6	40.8	1.6	100.0	51.0	36.2	1.6	11.2	100.0
1967	56.8	41.6	1.6	100.0	49.3	36.2	1.6	12.9	100.0
1968	56.5	41.9	1.6	100.0	48.4	35.9	1.5	14.2	100.0

Table 21.--Estimated leaf used per 1,000 cigarettes by kinds of tobacco for specified periods

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Average:									
1925-29	1.434	1.164	.084	2.682	1.276	1.033	.084	.391	2.784
1930-34	1.616	1.061	.084	2.761	1.431	.934	.076	.303	2.744
1935-39	1.637	1.010	.110	2.757	1.449	.895	.103	.261	2.708
1940-44	1.822	.965	.090	2.877	1.608	.856	.086	.175	2.725
1945-49	1.782	1.037	.066	2.885	1.577	.919	.063	.153	2.712
1950	1.781	1.033	.061	2.875	1.577	.913	.056	.163	2.709
1951	1.760	.993	.053	2.806	1.557	.878	.048	.172	2.655
1952	1.780	.999	.057	2.836	1.575	.884	.053	.175	2.687
1953	1.803	1.033	.057	2.893	1.595	.915	.054	.182	2.746
1954	1.760	1.023	.055	2.837	1.555	.906	.052	.192	2.705
1955	1.703	1.002	.053	2.758	1.506	.888	.051	.194	2.639
1956	1.622	.985	.054	2.661	1.438	.874	.050	.200	2.562
1957	1.555	.937	.045	2.537	1.379	.832	.041	.199	2.451
1958	1.515	.893	.038	2.446	1.349	.796	.036	.212	2.393
1959	1.457	.863	.035	2.355	1.296	.768	.033	.222	2.319
1960	1.442	.862	.032	2.336	1.284	.767	.032	.229	2.312
1961	1.435	.857	.030	2.322	1.276	.763	.030	.237	2.306
1962	1.391	.863	.030	2.284	1.238	.768	.030	.235	2.271
1963	1.366	.848	.029	2.243	1.217	.756	.029	.231	2.232
1964	1.343	.842	.028	2.213	1.195	.750	.028	.224	2.197
1965	1.298	.871	.031	2.200	1.155	.778	.030	.237	2.200
1966	1.209	.858	.033	2.101	1.081	.767	.033	.238	2.119
1967	1.142	.838	.033	2.013	1.019	.750	.033	.267	2.069
1968	1.125	.835	.031	1.991	1.005	.745	.031	.295	2.076

Table 22.--Tobacco: Acreage and yield per acre in the United States, by types, or groups of types, for specified periods

Period	Flue-cured 11-14	Burley 31	Maryland 32	Va. 21	Ky.-Tenn. 22-23	Dark air cured 35-36	Va. sun-cured 37	Cigar: Filler 41	Cigar: Filler 42-44	Cigar: Filler 46	Cigar: Binder 51-52	Cigar: Binder 54-55	Cigar: Wrapper 61-62	Total 1/
	Thousand acres													
Average: 1950-54	1,048.8	433.7	49.6	9.9	40.0	23.1	3.6	30.2	5.5	37.9	15.7	16.5	13.1	1,728.1
1955	990.7	310.6	47.0	9.1	39.1	20.0	4.2	29.5	4.4	36.1	13.4	14.3	12.9	1,531.5
1956	875.3	309.8	43.5	8.5	38.5	19.3	3.1	29.0	3.9	26.3	7.2	11.8	13.3	1,389.8
1957	662.7	306.6	37.0	6.9	29.7	14.5	2.6	29.0	3.6	26.5	4.3	11.6	13.1	1,148.3
1958	639.4	297.1	34.0	6.8	24.3	12.7	1.6	30.0	3.0	24.2	2.9	13.0	12.9	1,102.1
1959	693.4	301.0	40.0	7.6	27.6	13.2	2.1	31.0	3.9	26.3	4.5	14.4	14.0	1,179.1
1960	691.8	295.7	37.5	7.3	25.9	13.0	1.8	31.0	4.3	28.5	3.8	14.6	14.6	1,170.0
1961	698.5	318.9	40.0	7.5	27.9	13.5	2.1	31.0	4.6	27.0	2.9	13.7	13.4	1,201.4
1962	729.8	338.6	41.0	7.6	28.5	13.9	2.2	30.0	4.2	28.5	2.6	12.1	13.2	1,252.6
1963	694.5	338.5	34.5	6.6	27.7	13.8	1.5	28.0	3.9	30.0	2.8	10.7	12.9	1,205.7
1964	627.6	306.6	39.0	7.3	24.8	12.4	1.7	27.0	3.7	30.8	2.8	10.9	13.8	1,108.6
1965	562.3	277.1	33.5	7.6	23.2	11.3	1.8	27.0	3.7	17.0	2.6	10.9	15.6	993.9
1966	607.0	240.7	35.0	6.0	21.0	10.7	1.4	23.0	3.2	9.0	1.8	9.3	14.6	982.9
1967	610.3	237.7	31.5	5.4	17.3	9.5	1.2	21.0	2.3	7.6	1.5	8.3	13.6	967.4
1968	533.0	237.6	30.0	4.9	17.9	9.8	1.1	21.0	2.0	6.2	1.6	7.7	13.4	886.5
1969 2/	579.7	237.5	29.0	5.3	18.4	10.1	1.1	20.0	1.9	3/5.7	1.7	7.1	11.2	928.9
	Pounds													
Average: 1950-54	1,271	1,382	833	1,178	1,145	1,191	1,011	1,572	1,506	824	1,711	1,459	1,164	1,281
1955	1,497	1,513	670	1,155	1,399	1,391	775	1,550	1,700	831	1,643	1,469	1,213	1,451
1956	1,625	1,635	840	1,260	1,555	1,592	1,030	1,670	1,625	913	1,849	1,712	1,290	1,583
1957	1,471	1,592	1,040	1,245	1,411	1,367	1,030	1,420	1,270	1,008	1,940	1,709	1,442	1,475
1958	1,691	1,567	915	1,385	1,393	1,269	1,170	1,700	835	1,058	1,867	1,682	1,283	1,599
1959	1,559	1,669	780	1,320	1,560	1,466	1,040	1,725	1,770	1,068	1,712	1,449	1,325	1,547
1960	1,808	1,639	925	1,220	1,411	1,403	995	1,700	1,535	965	1,826	1,431	1,460	1,685
1961	1,801	1,820	970	1,300	1,552	1,525	1,045	1,725	1,665	1,137	1,856	1,640	1,429	1,741
1962	1,930	1,993	990	1,255	1,566	1,619	1,040	2,000	1,775	1,249	2,014	1,621	1,464	1,876
1963	1,975	2,231	1,000	940	1,795	1,751	760	1,850	1,740	1,067	2,093	1,680	1,449	1,970
1964	2,211	2,022	1,085	1,245	1,854	1,828	1,060	1,700	1,555	1,231	2,021	1,821	1,530	2,044
1965	1,883	2,116	1,150	1,260	1,574	1,639	1,105	1,900	1,465	951	1,910	1,765	1,468	1,882
1966	1,825	2,437	1,030	1,255	1,919	1,987	1,065	1,675	1,885	1,338	2,111	1,744	1,440	1,932
1967	2,070	2,274	1,030	1,290	1,702	1,629	1,090	1,825	1,580	1,419	1,819	1,943	1,292	2,045
1968	1,841	2,372	1,100	1,205	1,822	1,831	1,095	1,800	1,800	1,277	1,846	1,824	1,343	1,941
1969 2/	1,894	2,384	1,100	1,300	1,805	1,797	1,150	1,900	1,700	3/1,400	1,805	1,828	1,494	1,978

1/ Total includes Perique--type 72--and in 1950-53, type 53. 2/ Preliminary. 3/ Projected.

Table 23.--Cash receipts from tobacco as percentage of cash receipts from crops and all farm commodities, by States, 1967 and 1968

State	1967			1968 1/		
	Tobacco	Tobacco as: Percentage of crops	Tobacco as: Percentage of all farm commodities	Tobacco	Tobacco as: Percentage of crops	Tobacco as: Percentage of all farm commodities
	Million dollars	Percent	Percent	Million dollars	Percent	Percent
North Carolina	535	64.2	41.3	444	60.5	35.8
Kentucky	343	77.8	41.6	282	74.2	34.2
South Carolina	107	40.4	26.2	81	35.4	21.7
Georgia	101	22.4	9.8	77	18.6	7.4
Virginia	83	34.9	16.2	76	33.0	14.6
Tennessee	83	34.0	13.7	82	32.7	13.2
Florida	32	4.0	2.8	30	3.3	2.7
Connecticut	30	45.5	18.8	27	40.9	16.7
Maryland	17	15.2	5.2	20	18.0	5.8
Ohio	16	3.1	1.3	13	2.5	1.1
Indiana	12	1.9	.9	10	1.6	.7
Massachusetts	11	15.9	7.0	10	13.5	6.2
Pennsylvania	10	4.5	1.1	11	4.5	1.2
Wisconsin	5	2.4	.4	6	2.8	.4
Missouri	3	.7	.2	4	.9	.3
West Virginia	3	13.0	3.1	2	8.0	2.0
United States 2/	1,392	7.6	3.3	1,176	6.2	2.6

1/ Subject to revision. 2/ U.S. total receipts from tobacco include relatively small receipts for a few States not shown separately.
Detail may not add to total due to rounding.

Table 24.--Total expenditures for tobacco products, 1950-68

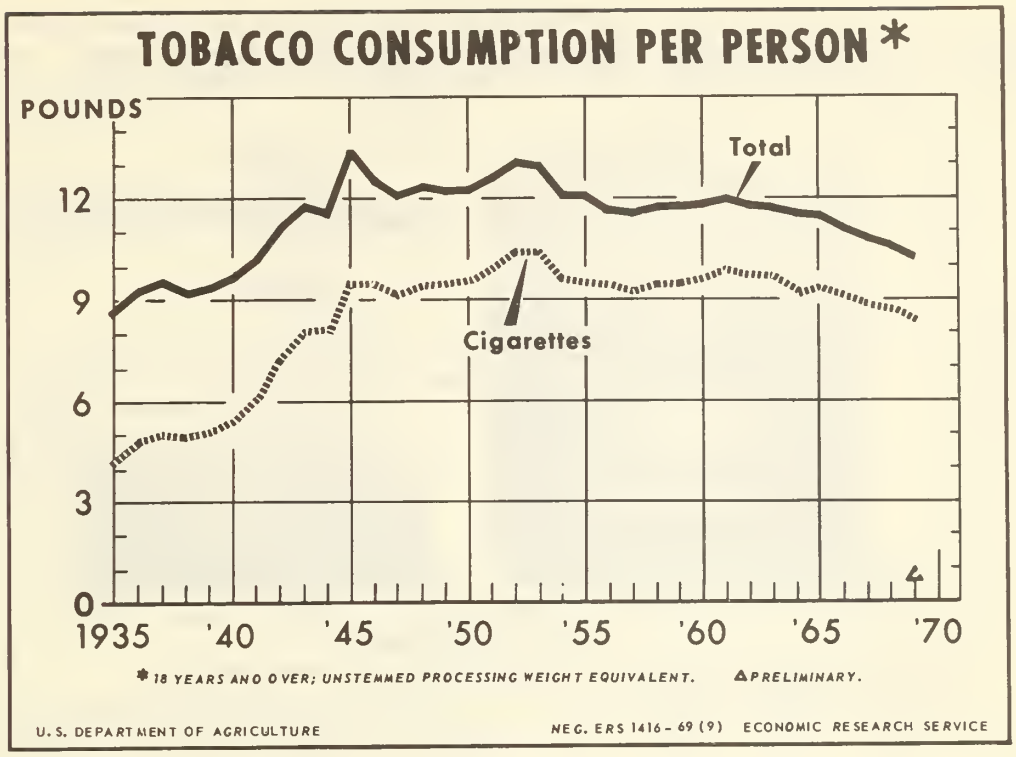
Year	Total	Cigarettes	Cigars	Other 1/	Year	Total	Cigarettes	Cigars	Other 1/
	Million dollars					Million dollars			
1950	4,392	3,586	514	292	1960	7,187	6,244	649	294
1951	4,685	3,876	526	283	1961	7,472	6,538	631	303
1952	5,073	4,246	545	282	1962	7,608	6,675	634	299
1953	5,264	4,436	560	268	1963	8,004	7,055	649	300
1954	5,104	4,292	552	260	1964	8,113	7,024	765	324
1955	5,217	4,409	550	258	1965	8,651	7,609	734	308
1956	5,481	4,681	556	244	1966 2/	9,140	8,113	718	309
1957	5,877	5,072	562	243	1967 2/	9,582	8,572	706	304
1958	6,182	5,341	584	257	1968 3/	10,112	9,094	703	315
1959	6,764	5,854	629	281					

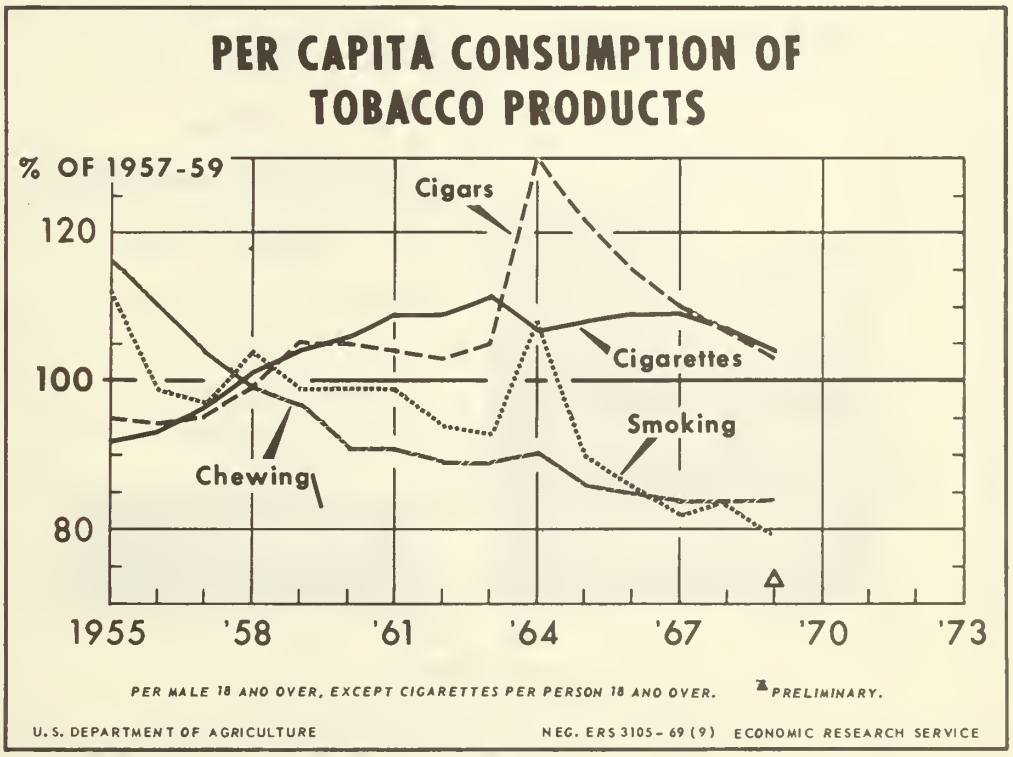
1/ Smoking, chewing, and snuff. 2/ Revised. 3/ Subject to revision.

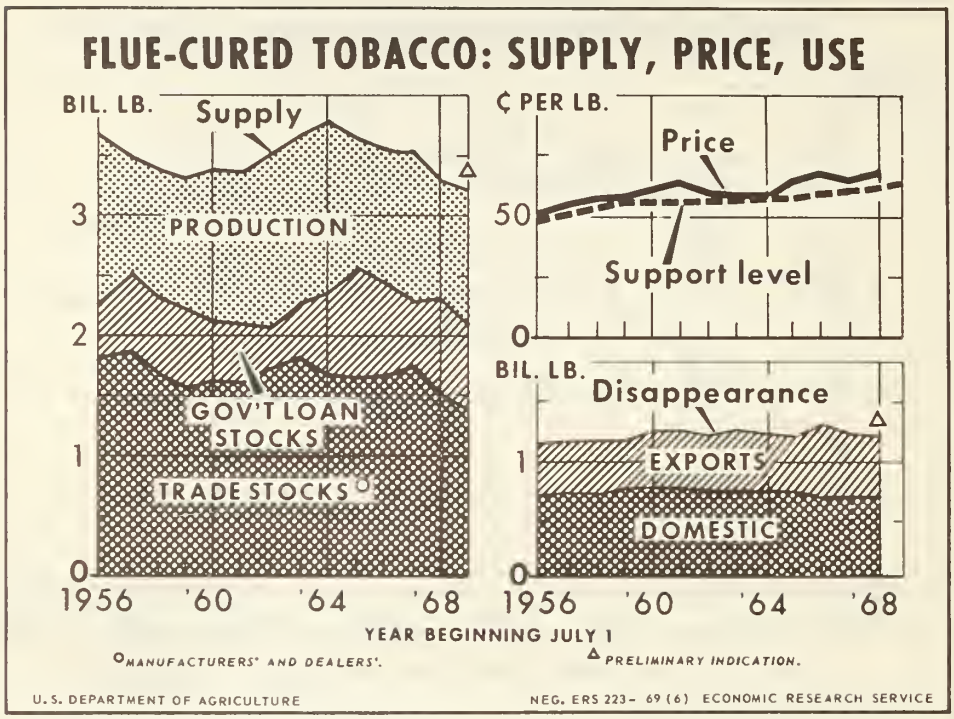
Table 25.--Federal, State, and local tax revenues from tobacco products for specified periods

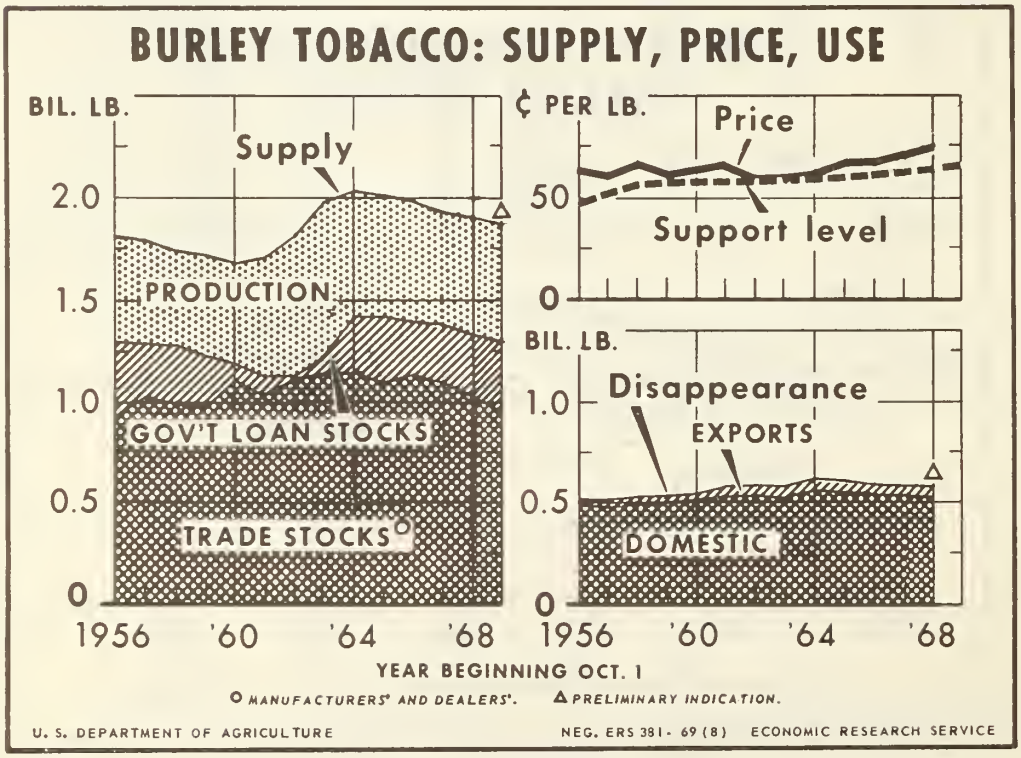
Fiscal year	Federal: Cigarettes 1/	Federal: Cigars 2/	Federal: Chewing, smoking, and snuff	Federal: Total 3/	State: All tobacco products	Total Federal and State	Local Governments	Total Federal, State and local Governments
	Million dollars							
Average:								
1950-54	1,422	45	30	1,497	455	1,942		
1955-59	1,614	47	18	1,680	566	2,246	48	2,294
1960	1,864	50	17	1,932	923	2,855	65	2,920
1961	1,924	50	17	1,991	1,001	2,992	76	3,068
1962	1,957	50	17	2,026	1,075	3,101	72	3,173
1963	2,011	50	16	2,079	1,124	3,203	64	3,267
1964	1,977	56	17	2,053	1,196	3,249	84	3,333
1965	2,070	61	17	2,149	1,284	3,433	102	3,535
1966	2,006	58	9	2,074	1,541	3,615	105	3,720
1967	2,023	56	4/	2,080	1,615	3,695	116	3,811
1968	2,066	55	4/	2,122	1,886	4,008	100	4,108
1969	2,082	54	4/	2,138	5/2,060	4,198	5/110	4,308

1/ Includes large cigarettes. 2/ Includes small cigars and amounts on cigars from Puerto Rico covered into the Treasury of Puerto Rico. 3/ Includes cigarette paper and tubes, floor taxes, penalties, etc. 4/ Federal excise tax on chewing, smoking, and snuff repealed effective January 1, 1966. 5/ Estimated.
Compiled from reports of the Internal Revenue Service and the Bureau of Census.


TOBACCO CONSUMPTION PER PERSON *
POUNDS
12
9
6
3
0
Total
Cigarettes
1935
'40
'45
'50
'55
'60
'65
'70
* 18 YEARS AND OVER; UNSTEMMED PROCESSING WEIGHT EQUIVALENT.
△ PRELIMINARY.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 1416-69 (9) ECONOMIC RESEARCH SERVICE


PER CAPITA CONSUMPTION OF TOBACCO PRODUCTS
% OF 1957-59
120
100
80
Cigars
Cigarettes
Smoking
Chewing
1955
'58
'61
'64
'67
'70
'73
PER MALE 18 AND OVER, EXCEPT CIGARETTES PER PERSON 18 AND OVER.
△ PRELIMINARY.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 3105-69 (9) ECONOMIC RESEARCH SERVICE


FLUE-CURED TOBACCO: SUPPLY, PRICE, USE
BIL. LB.
Supply
PRODUCTION
GOV'T LOAN STOCKS
TRADE STOCKS
3
2
1
0
1956
'60
'64
'68
¢ PER LB.
Price
Support level
50
0
BIL. LB.
Disappearance
EXPORTS
DOMESTIC
1
0
1956
'60
'64
'68
YEAR BEGINNING JULY 1
MANUFACTURERS' AND DEALERS'.
PRELIMINARY INDICATION.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 223- 69 (6) ECONOMIC RESEARCH SERVICE


BURLEY TOBACCO: SUPPLY, PRICE, USE
BIL. LB.
Supply
PRODUCTION
GOV'T LOAN STOCKS
TRADE STOCKS
2.0
1.5
1.0
0.5
0
1956
'60
'64
'68
¢ PER LB.
Price
Support level
50
0
BIL. LB.
Disappearance
EXPORTS
DOMESTIC
1.0
0.5
0
1956
'60
'64
'68
YEAR BEGINNING OCT. 1
MANUFACTURERS' AND DEALERS'.
PRELIMINARY INDICATION.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 381- 69 (8) ECONOMIC RESEARCH SERVICE

STATISTICAL SUMMARY

Item	Unit or base period	1968 July	1968 August	1969 June	1969 July	1969 August	Last data as percentage of a year earlier
Average price at auctions							
Flue-cured	Ct. per lb.	68.0	68.5	Closed	72.0	73.8	108
Burley	Ct. per lb.	C-l-o-s-e-d		C-l-o-s-e-d			---
Maryland	Ct. per lb.	C-l-o-s-e-d		69.1	C-l-o-s-e-d		---
Virginia fire-cured	Ct. per lb.	C-l-o-s-e-d		C-l-o-s-e-d			---
Ky.-Tenn. fire-cured	Ct. per lb.	C-l-o-s-e-d		C-l-o-s-e-d			---
Ky.-Tenn. dark air-cured	Ct. per lb.	C-l-o-s-e-d		C-l-o-s-e-d			---
Virginia sun-cured	Ct. per lb.	C-l-o-s-e-d		C-l-o-s-e-d			---
Support price 1/							
Flue-cured	Ct. per lb.	61.6			63.8		104
Burley	Ct. per lb.	63.5			65.8		104
Maryland	Ct. per lb.	No support			No support		---
Virginia fire-cured	Ct. per lb.	43.1			44.6		104
Ky.-Tenn. fire-cured	Ct. per lb.	43.1			44.6		104
Ky.-Tenn. dark air-cured	Ct. per lb.	38.3			39.7		104
Virginis sun-cured	Ct. per lb.	38.3			39.7		104
Connecticut Valley cigar binder	Ct. per lb.	44.0			45.5		104
Wis. binder and Ohio filler	Ct. per lb.	31.7			32.9		104
Puerto Rican filler	Ct. per lb.	33.0			34.2		104
Parity index 2/	1910-14=100	355	354	375	374	373	105
Industrial production index 3/	1957-59=100	166	165	174	175	174	105
Employment	Mil.	77.7	77.4	79.0	79.6	79.6	103
Personal income 4/	Bil. dol.	691.0	696.1	746.1	751.4	756.6	109
		1968 June	1968 July	1969 May	1969 June	1969 July	
Taxable removals							
Cigarettes	Bil.	43.4	44.1	44.5	45.2	41.8	95
Cigars and cigarillos	Mil.	610.2	600.2	705.3	575.9	543.9	91
Accumulated from Jan. 1							
Cigarettes	Bil.	259.9	304.0	212.0	257.2	299.0	98
Cigars and cigarillos	Mil.	3916.1	4516.3	3072.1	3735.2	4279.1	95
Invoiced to domestic customers							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	32.3			30.7		95
Chewing tobacco	Mil. lb.	32.3			32.6		101
Snuff	Mil. lb.	14.3			14.0		98
Tax-exempt removals							
Cigarettes	Bil.	4.7	4.8	4.0	5.3	5.0	104
Exports	Bil.	2.3	1.8	2.2	3.0	2.6	144
Cigars and cigarillos	Mil.	15.5	13.6	19.0	15.0	10.3	76
Accumulated from Jan. 1							
Cigarettes	Bil.	25.2	30.0	17.6	22.9	27.9	93
Exports	Bil.	12.0	13.8	8.3	11.2	13.9	101
Cigars and cigarillos	Mil.	96.1	109.8	67.9	82.9	93.2	85
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	1.0			.8		80
Chewing tobacco	Mil. lb.	.3			.1		33
Wholesale price indexes 5/							
Cigarettes (reg. nonfilter)	1957-59=100	119.9	119.9	124.5	132.7	132.7	111
Cigars	1957-59=100	101.6	101.6	101.6	102.6	103.7	102
Smoking tobacco	1957-59=100	130.2	130.2	139.6	137.6	139.6	107
Plug chewing tobacco	1957-59=100	133.3	133.3	133.3	133.3	133.3	100
Snuff	1957-59=100	127.3	127.3	137.9	137.9	142.3	112
Consumer price indexes (urban) 6/							
Cigarettes (reg. nonfilter)	1957-59=100	146.0			150.8		103
Cigarettes (filter tip king)	Mar. 1959=100	138.1			143.3		104
Cigars (domestic reg. size)	1957-59=100	104.5			106.5		102
Imports of tobacco							
Cigarette leaf	Mil. lb.	13.1	12.2	11.9	15.2	12.9	106
Cigar tobacco 7/	Mil. lb.	7.4	9.6	9.2	8.5	6.0	62
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	88.3	100.5	59.3	74.5	87.3	87
Cigar tobacco 7/	Mil. lb.	44.0	53.6	39.9	48.4	54.4	101

See footnotes at end of table.

Continued-

STATISTICAL SUMMARY—CONTINUED

Item	Unit or base period	1968 June	1968 July	1969 May	1969 June	1969 July	Last data as percentage of a year earlier
Exports of leaf tobacco (farm-sales weight)							
Flue-cured	Mil. lb.	44.4	40.0	60.2	50.6	38.6	96
Burley	Mil. lb.	2.3	2.7	7.6	5.7	7.2	267
Maryland	Mil. lb.	1.0	2.0	2.7	1.3	.4	20
Virginia fire- & sun-cured	Mil. lb.	.3	.4	.4	.5	.1	25
Ky.-Tenn. fire-cured	Mil. lb.	2.1	2.2	1.7	1.8	1.4	64
Ky.-Tenn. dark air-cured	Mil. lb.	.2	*	0	.2	.1	---
Black Fat	Mil. lb.	*	.4	*	.1	.2	50
Cigar wrapper	Mil. lb.	.6	.4	.4	.2	.1	25
Connecticut binder	Mil. lb.	.2	.1	*	*	*	---
Wisconsin binder	Mil. lb.	*	0	.1	.2	*	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	533.3		474.1	524.7		98
Burley	Mil. lb.	33.7	36.4	32.4	38.1	45.3	124
Maryland	Mil. lb.	8.9	10.9	7.2	8.5	8.8	81
Virginia fire- & sun-cured	Mil. lb.	4.5	4.9	2.8	3.3	3.4	69
Ky.-Tenn. fire-cured	Mil. lb.	16.4	18.6	11.1	12.9	14.3	77
Ky.-Tenn. dark air-cured	Mil. lb.	1.1	1.1	1.1	1.3	1.4	127
Black Fat	Mil. lb.	2.1	2.4	.7	.8	1.0	42
Cigar wrapper	Mil. lb.	4.9		3.7	3.9		80
Connecticut binder	Mil. lb.	2.1	2.1	.2	.3	.3	14
Wisconsin binder	Mil. lb.	.2	.2	.1	.3	.3	150
Cigar filler	Mil. lb.	.6	.6	.7	.8	.8	133
Exports of manufactured tobacco in bulk	Mil. lb.	2.4	1.6	3.1	2.9	1.2	75
Accumulated from Jan. 1	Mil. lb.	9.5	11.1	5.8	8.7	9.9	89
		Quarterly data					
		1968		1969			
		Apr.-June	July-Sept.	Apr.-June		July-Sept.	
Stocks of tobacco—1st of quarter 9/							
Domestic types (farm-sales weight)							
Flue-cured	Mil. lb.	2,588	2,302	2,388		2,100	91
Burley	Mil. lb.	1,626	1,480	1,608		1,463	99
Maryland	Mil. lb.	79	97	70		84	87
Fire-cured	Mil. lb.	119	105	106		92	88
Dark air- and sun-cured	Mil. lb.	71	66	73		67	102
Cigar filler	Mil. lb.	182	173	166		158	91
Cigar binder	Mil. lb.	73	66	62		56	85
Cigar wrapper	Mil. lb.	27	23	26		21	91
Under Government loan 10/	Mil. lb.	1,225	1,169	1,245		**1,183	101
Tobacco sheet 11/							
Cigarette types	Mil. lb.	21.9	20.3	23.4		24.4	120
Cigar types	Mil. lb.	3.3	2.8	2.3		2.6	93
Foreign types (farm-sales weight)							
Cigarette and smoking	Mil. lb.	459	442	408		451	102
Cigar	Mil. lb.	83	98	94		93	95
Tobacco outlets 12/							
Seasonally adjusted data, annual rates, for charts, p.2							
Cigarettes							
Production	Bil.	567	591	558		579	98
Taxable removals	Bil.	512	533	512		519	97
Cigar production	Bil.	8.78	7.97	8.12		7.92	99
Smoking production	Mil. lb.	64.9	64.9	61.5		61.5	95
Chewing production							
Scrap	Mil. lb.	35.5	37.0	36.4		38.4	104
Plug and other	Mil. lb.	30.2	30.0	28.7		29.4	98
Snuff production	Mil. lb.	27.6	26.9	29.5		25.8	96
Exports of leaf							
Total	Mil. lb.	812	763	1,000		765	100
Flue-cured	Mil. lb.	735	599	886		655	109

1/ 1968 and 1969 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates. *Less than 50,000 pounds. **Of this quantity, approximately 105 million pounds had been sold. Detail may not add to total due to rounding.

LIST OF TABLES

Table	Title	Page
1	Cigarettes: Output, removals, and consumption, 1960-69	5
2	Cigarettes and all tobacco products: Consumption per capita, 18 years and over (including overseas forces), and indexes, 1960-69	5
3	Cigarette exports from the United States to leading destinations, July 1968-June 1969, January-July 1968/69	6
4	Cigars and smoking tobacco: Output, removals, and consumption, 1962-69	8
5	Chewing tobacco, snuff and small cigars: Output by category for specified periods	9
6	Consumption of cigars, smoking tobacco and chewing tobacco per male, and snuff per person, 18 years and over, 1925-69	10
7	United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods	13
8	Tobacco exports under Government programs, and exports for dollars, fiscal years, 1955-69	14
9	U.S. imports of unmanufactured tobacco, from principal categories and countries of origin, 1969 fiscal year, and January-July 1968/69	16
10	U.S. imports of unmanufactured tobacco: Quantity and value, by kinds, 1968/69	18
11	U.S. tobacco allotments, by kinds of tobacco, 1969	18
12	United Kingdom tobacco: Imports, stocks, clearances, and exports, 1966-69	20
13	Flue-cured tobacco auction markets: Gross sales, average price, sales dates, through September 19, 1969, comparable 1968 period	22
14	Flue-cured tobacco, types 11-14: Domestic supplies, disappearances, season average price, and price support operations for specified periods	23
15	Burley tobacco, type 31: Domestic supplies, disappearances, season average price, and price support operations for specified periods	25
16	Maryland tobacco, type 32: Domestic supplies, disappearances, season average,price, and price support operations for specified periods	27
17	Fire-cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-69	29
18	Dark air-cured tobacco, types 35-36, and sun-cured tobacco, type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1965-69	31

LIST OF TABLES--Continued

Title

Table	Title	Page
19	Cigar tobacco, types 41-62: Acreage, yield, production, carryover, supply, disappearance, and season average prices, 1965-69	34
20	Estimated leaf used for cigarettes by kinds of tobacco for specified periods	37
21	Estimated leaf used per 1,000 cigarettes by kinds of tobacco for specified periods	38
22	Tobacco: Acreage and yield per acre in the U.S. by types, for specified periods	39
23	Cash receipts from tobacco and as percentage of cash receipts from crops and all farm commodities, by States, 1967 and 1968	40
24	Total expenditures for tobacco products, 1950-68	40
25	Federal, State and local tax revenues from tobacco products, for specified periods	40
	Statistical Summary	44

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